

The National Child Benefit Progress Report: 2000



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The National Child Benefit Progress Report: 2000

March 2001

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Message from Federal/Provincial/Territorial Ministers Responsible for Social Services

The National Child Benefit (NCB) is a joint initiative of Canada's federal, provincial and territorial governments—an innovative and progressive approach to supporting Canada's children.

Helping children get off to a good start in life is crucial, and governments have recognized that child poverty has long-term consequences for children and society. The NCB is based on the principle that families are better off when parents are supported in their efforts to participate in the labour market. This is the most effective long-term approach to reducing low income among families. The NCB is supporting parents and children by creating a secure national child benefit and improving the services and supports provided to low-income families with children.

The NCB is a positive initiative in large part because of the continued strength of the federal/provincial/territorial partnership that established it. These partners continue to work toward the initiative's goals: reducing the incidence and depth of child poverty, supporting parents as they move into the labour market and reducing duplication and overlap of government programs. First Nations are also partners in ensuring that the NCB responds to the needs of Aboriginal children and families on-reserve.

Governments and all Canadians want to know whether the NCB is achieving these goals. While it is still early in this long-term initiative, we believe that it is succeeding. We are seeing an improvement in the situation of children and their families. This is partly due to a strong economy, and we also believe that improved child benefits and services provided under the NCB are helping. Children are receiving more benefits outside of welfare, more parents are moving into the labour market and parents are finding that paid work is getting them farther above low-income levels. The result is greater financial stability for families and better prospects for the future.

Canada's Ministers Responsible for Social Services¹ strongly support the NCB's national platform of child benefits and expanded programs and services for children. We believe that the NCB is making a positive contribution toward improving the future prospects of children in low-income families.

Building on this federal/provincial/territorial collaboration, First Ministers agreed in September 2000 on a new, complementary initiative to improve and expand early childhood development programs and services.

With the commitment of federal, provincial and territorial partners to long-term stable funding, the NCB is an important part of Canadian social policy. We are committed to this reporting process and are pleased to share our findings with Canadians.

Federal/Provincial/Territorial Ministers Responsible for Social Services

¹ The Government of Quebec has stated that it agrees with the basic principles of the National Child Benefit. Quebec, however, has not taken part in the initiative because it wishes to assume control of income support for the children of Quebec. Throughout this report, references to joint federal/provincial/territorial positions do not include Quebec.



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Executive Summary

The National Child Benefit (NCB) is a joint initiative of Canada's federal, provincial and territorial governments designed to reduce the depth of child poverty, support parents as they move into the labour market and reduce duplication and overlap of government programs.

Under the NCB, the Government of Canada has increased the child benefits it provides to all low-income families with children. In turn, most provinces, territories and First Nations have adjusted the income support they provide to children through social assistance programs while making sure total benefits to those families remain at least as high as they were before the NCB was introduced. These social assistance adjustments have made funds available for reinvestment in new and enhanced benefits and services for low-income families with children, and they have made benefits equal for all low-income families.

In the past, many families who relied on social assistance found it difficult to get out of the welfare system and into employment, as they often were worse off financially in low-paying jobs. The NCB was designed to make sure that families leaving social assistance are better off working. It is now easier for low-income parents to move into and stay in employment, as parents receive greater income support for their children outside of the social assistance system along with additional benefits and services provided through reinvestment programs.

As a result of the NCB, families have a better chance to move up and out of poverty.

The Federal Component of the National Child Benefit

The Government of Canada provides direct financial assistance to families with children through the Canada Child Tax Benefit (CCTB). Maximum payments to a family with two children will have increased from \$2,540 in 1996-97 to \$4,544 in 2001-02, benefiting 2.5 million children in low-income families. Since the start of the NCB, the value of these payments to low-income families will have increased by \$2.5 billion per year by 2004-05.

The Provincial and Territorial Component of the NCB

Provinces, territories and First Nations are reinvesting funds and making additional investments in a range of new or enhanced supports for low-income families. The five key areas for NCB initiatives are child benefits and earned income supplements, child/day care initiatives, early childhood services and children-at-risk services, supplementary health benefits and other services. For the 1999-2000 fiscal year, provincial-territorial and First Nations reinvestments totalled more than \$400 million, with additional investments of \$80 million. These reinvestments and investments are estimated to increase to more than \$600 million in 2000-01.

First Nations and the National Child Benefit

The Aboriginal population participates in the NCB through provincial and territorial initiatives. First Nations living on-reserve design and implement their own community-based initiatives in ways that respond to the unique circumstances of their families.

The result of First Nations identifying and tailoring benefits and services is that NCB reinvestments address community needs such as youth services, child nutrition, child care, recreation and skills training for parents seeking employment. Many thousands of families have benefited from these reinvestments, and further enhancements to the NCB will result in better programming as First Nations identify what works successfully in their communities.

Monitoring Progress

Federal, provincial and territorial governments are committed to reporting on and evaluating NCB initiatives. This work is essential to inform Canadians about the progress made in reaching the NCB's goals.

Key trends for low-income families with children over the last two years include:

- fewer low-income families with children;
- the number of children in families who depend on social assistance has declined steadily; and
- more low-income families are earning income from employment.

While these recent trends are generally favourable for Canadian children, there is concern that the depth of low income has remained relatively constant over time despite economic growth.

Federal, provincial and territorial governments have agreed to pursue a coordinated approach to evaluating the NCB. Future evaluation will include an assessment of federal child benefits as well as provincial and territorial investments and reinvestments.

The Way Ahead

In its first two years, the National Child Benefit has put in place the key components of a reformed child benefit system. Low-income families with children are seeing improved benefits and services to meet the needs of their children. They are also beginning to share more of the gains from Canada's strong economy. However, federal, provincial and territorial Ministers Responsible for Social Services realize that fighting child poverty will take a sustained effort in the years to come.

The NCB is a young initiative, and the full extent of its benefits will be realized over time. Governments have agreed to further assess the progress being made on child poverty and the degree to which the NCB is achieving its objectives, and to consider whether future government investments may be necessary to achieve full implementation. Future reports to the public will provide additional information on how the NCB is working to help Canadian families.

Glossary

CCTB, or Canada Child Tax Benefit, is a federal income support program for Canadian families with children that is delivered through the tax system. The CCTB includes two components: the basic benefit, which provides federal income support to 80 per cent of Canadian families with children; and the NCB supplement, which provides additional support only to low-income families.

Depth of low income is the amount that a family's income is below a level (e.g., Statistics Canada low-income lines such as the Low-Income Cut-Offs or the Low-Income Measure threshold) that has been determined as the dividing line between those who are living on low income and those who are not.

Disposable income is the income that a family has left after paying personal income taxes and other tax-related contributions such as Canada Pension Plan and Employment Insurance premiums.

Earnings supplements are payments from governments to families that top up work-related earnings. These programs supplement work-related earnings and, in some cases, payments vary by the number of children in a family.

Incidence of low income is the per cent of the population whose income is below one of the low-income lines that Statistics Canada calculates (such as the Low-Income Cut-Off threshold or the Low-Income Measure threshold).

Indicators, in the context of this report, are statistics that show how Canadian families are faring. **General Outcome Indicators** measure areas such as low income and labour force attachment and do not assume that any changes are necessarily caused by the NCB. **Direct Outcome Indicators**, on the other hand, measure only those changes directly caused by the NCB.

National Child Benefit, or NCB, is a joint federal, provincial and territorial government program designed to support low-income families with children. It includes increased federal income support plus provincial, territorial and First Nations reinvestments and investments in programs and services. The NCB began in July 1998.

NCB investments are funds in addition to reinvestment funds that some provinces, territories and First Nations are spending on NCB-related benefits and services for low-income families.

NCB reinvestments are funds that provinces, territories and First Nations have available for new or expanded benefits and services for low-income families as a result of new federal funding replacing a portion of social assistance payments to families with children.

NCB supplement is the federal contribution to the NCB—a monthly payment to low-income families to help with the cost of raising children.

Social Assistance, or SA, is a system of income support administered by provincial and territorial governments; it is commonly known as welfare.

Working Income Supplement, or WIS, was a federal program that preceded the NCB, providing income support to supplement the earnings of low-income working families. The WIS was replaced in July 1998 by the NCB supplement, which offers increased support to all low-income families. Some provinces and territories have reinvested NCB funds in their own versions of a working income supplement.

1. The Purpose of this Report

This report is about the efforts of Canada's federal, provincial and territorial governments to reduce and prevent child poverty through the National Child Benefit (NCB) initiative. It is about the progress made in reaching this goal since the NCB's inception in 1998 and plans for further progress in the coming years. It is about accountability for these efforts.

When developing the NCB, federal, provincial and territorial governments agreed that regular reporting on the initiative is essential to remaining accountable to Canadians. This is the second progress report that has been issued since the beginning of the initiative.

The first progress report was released in May 1999. This second report provides additional analysis of the first year of the NCB's operation, using program data for 1998-99 and estimates for 1999-2000 and 2000-01. It provides information on new investments and new insights gained since the initial progress report was prepared. It also includes updated information on government investments and reinvestments in NCB-related initiatives.

The financial information presented in this report is subject to review by each jurisdiction's auditor in accordance with each jurisdiction's audit requirements.

This report describes: how the NCB works (Chapter 2); the federal government's investment in the National Child Benefit (Chapter 3); provincial and territorial government investments and reinvestments in NCB initiatives (Chapter 4); First Nations NCB reinvestments (Chapter 5); information on how progress will be monitored and evaluated, and a summary of social and economic trends leading up to, and during, the first year of the initiative (Chapter 6); and an indication of future directions for the NCB (Chapter 7). Appendices provide detailed statistics on federal initiatives (Appendix 1), descriptions and statistics for provincial, territorial and First Nations initiatives (Appendix 2) and additional statistical information (Appendix 3).



2. What is the National Child Benefit?

The National Child Benefit is a partnership between federal, provincial and territorial governments to improve the well-being of children in low-income families. The NCB was created because Canadian governments agree that it is essential for children to get off to the best possible start in life.

Goals of the NCB

The NCB initiative has three goals:

1. to help prevent and reduce the depth of child poverty;
2. to promote attachment to the labour market by ensuring that families will always be better off as a result of working; and
3. to reduce overlap and duplication by harmonizing program objectives and benefits and simplifying administration.

By providing increased child benefits to all low-income families and by streamlining government programs, the NCB helps low-income families succeed in the labour market, achieve a greater degree of financial independence and participate more fully in their communities and Canadian society.

How the NCB Works

The NCB achieves its goals by assisting parents as they move from welfare into the labour market and by helping low-income parents already in the labour market to stay there. It provides increased financial assistance to low-income working families and enhanced benefits and services tailored to the needs of low-income families in each province and territory. These benefits and services, in many instances, are available regardless of whether the family is in the labour market or receiving social assistance. This reflects the shared commitment of federal, provincial and territorial governments to reduce low income and make it easier for families to be self-sufficient.

As a shared effort between governments, the NCB is both a national program and a varied set of provincial, territorial and First Nations initiatives that are customized to meet families' needs. Federal, provincial and territorial governments have agreed on a set of operating principles to guide the development and implementation of the NCB. In addition, there is a national reinvestment framework outlining the types of reinvestments that support the NCB's objectives.

The NCB is building a new national platform of child benefits for low-income families with children. This platform has certain defining characteristics:

- it provides a basic income benefit for Canadian children in low-income

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families, delivered independently of provincial/territorial social assistance systems;

- it is based on an income test administered by the *Canada Customs and Revenue Agency* (formerly Revenue Canada) using information from the income tax system;
- it is part of the larger Canada Child Tax Benefit (CCTB), which provides benefits to 80 per cent of all Canadian families with children; and
- it may be supplemented by provincial/territorial income-tested child benefits.

Under the NCB, the federal, provincial and territorial governments and First Nations are taking action to improve the situation of low-income families with children. The Government of Canada has increased the child benefits it provides to low-income families with children. This provides a basic level of income support for children whether their parents are in the labour market or receiving social assistance. In turn, most provinces, territories and First Nations have adjusted the income support they provide to children through social assistance programs while making sure total benefits to those families remain at least as high as they were before the NCB was introduced.

These social assistance adjustments have made funds available for reinvestment in new and enhanced benefits and services for low-income families with children, and they have made benefits equitable for all low-income families. Low-income parents will now find it easier to move into and stay in employment, as they receive a basic benefit for their children outside of the social assistance system. In addition, their children can benefit from NCB reinvestment programs.

NCB Operating Principles

The National Child Benefit:

- is a partnership between the federal and provincial/territorial governments;
- requires a significant, incremental and permanent federal investment, as well as appropriate and complementary provincial and territorial investments benefiting children in low-income families;
- will be developed through a staged approach, with the initial investment representing a starting point to a more significant investment in the future—an investment that is sufficient to remove benefits for children from the welfare system;
- involves provincial and territorial governments reinvesting social assistance funds that are made available by the federal government's investment in low-income families with children in a manner consistent with NCB objectives;
- will see provinces and territories exploring whether incremental funds can be devoted to the provincial/territorial component of the NCB, fiscal resources permitting;
- will not result in the reduction of the overall level of income support for families who receive social assistance;
- will move toward simplified administration and delivery of children's benefits by governments, and simplified receipt of benefits for families with children; and
- is considered one of a number of measures that need to be employed as part of a comprehensive approach to child poverty.

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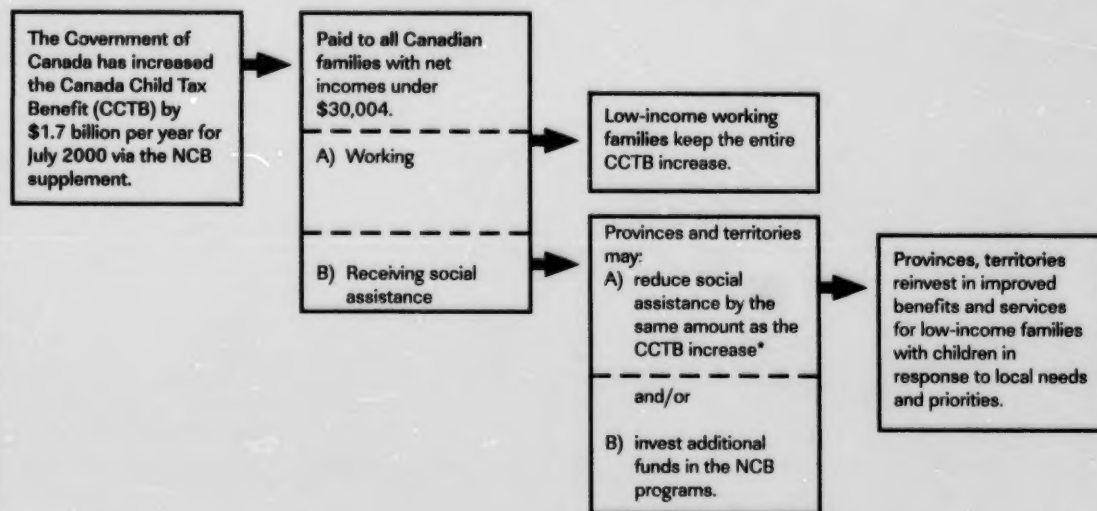
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- is considered one of a number of measures that need to be employed as part of a comprehensive approach to child poverty.

Figure 1: How does the National Child Benefit (NCB) work?



* Families receiving social assistance did not see a reduction in their overall level of income support.

Governments recognize that the NCB is just one of many factors that affect child poverty and the well-being of families. Economic conditions, changing family structures, the availability of other government and private sector benefits and services, and other factors also play a role.

The "Welfare Wall"

Before the creation of the NCB, much of what governments did to help low-income families unintentionally made it more difficult for parents to be in the labour market than on welfare. Since leaving social assistance led to the loss of benefits for their children, some parents found themselves worse off financially in low-paying jobs compared with staying on welfare.

Often, low-income working families were not eligible for the supplementary health, dental and prescription drug benefits provided to families receiving social assistance. Some of these families had difficulty paying work-related expenses such as child care, clothing and transportation, income taxes, Employment Insurance premiums and Canada Pension Plan contributions.

The term "welfare wall" is used to describe these barriers that hinder movement from social assistance to the labour market and resulted from an uncoordinated set of government supports to families. In some cases, parents on social assistance who managed to find paid work risked forfeiting thousands of dollars in child benefits and services on top of seeing their (typically low) wages reduced by taxes and employment-related costs.²

2. K. Battle and M. Mendelson (forthcoming). "Canada's National Child Benefit Reform" in *Child Benefits In Four Countries: Australia, Canada, UK and US*. Ottawa: Caledon Institute of Social Policy.

Table 1: Comparison of Low-Wage Families and Families on Social Assistance Before NCB Initiatives

Family on social assistance	Low-wage family
Benefits increased by number of children	Wages not related to number of children
Shelter allowance based on family size	Typically none
Prescription drug benefits, dental benefits, vision care	Typically none
Social assistance tax-free	Employment income taxed
No employment deductions	Employment deductions
No child care expenses	Possible work-related child care expenses

For example, immediately before the introduction of the National Child Benefit in July 1998, combined annual federal/provincial/territorial child benefits ranged from about \$2,220 to \$2,820 per child for families on social assistance in most provinces and territories, whereas benefits for children in working poor families were a maximum of \$1,520 annually for one child.

For two children, the difference was even greater. For example, prior to the NCB, a family with one child under seven and one child over seven received an average of \$5,253 in child benefits if it were on social assistance—close to double the \$2,753 in child benefits going to the same low-income family if it were not on social assistance.

In addition to financial factors, many low-income parents also encountered education and life skill barriers that made it even more difficult for them to avoid welfare dependence.

The NCB was designed to help lower this welfare wall by making sure that families leaving social assistance are better off working. The NCB is building a platform of child

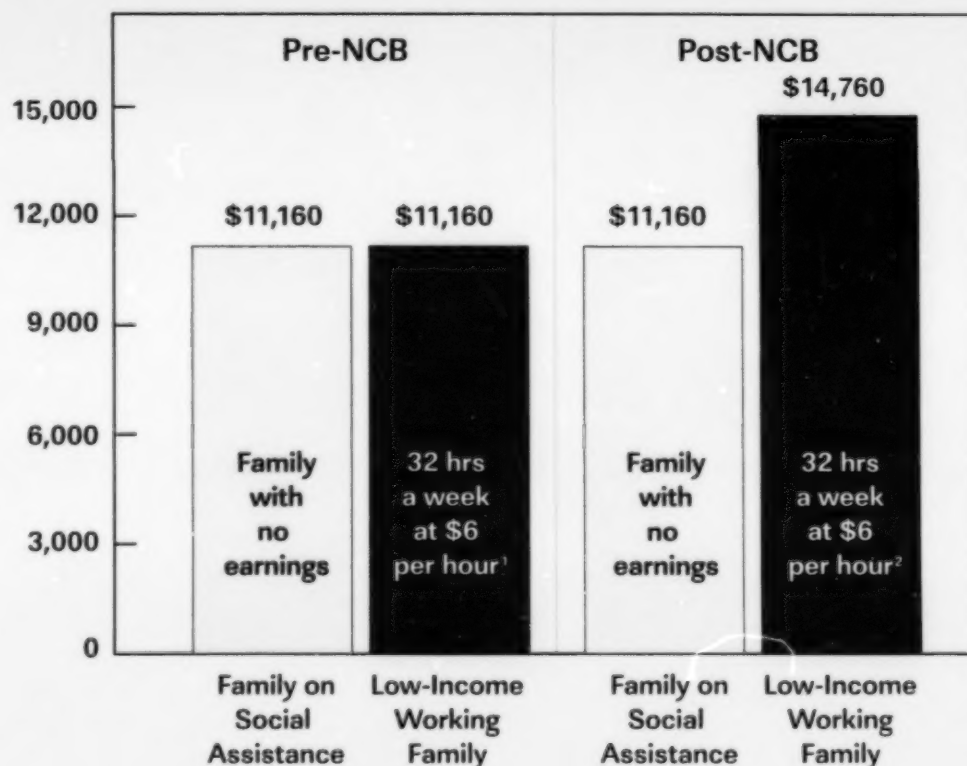
benefits outside of welfare and providing enhanced benefits and services so that when parents move from social assistance to work, supports for their children will remain in place and their quality of life will be secure.

Lowering the Welfare Wall in Saskatchewan: An Example of the NCB in Action

Each province and territory is enhancing its own program of benefits and services for low-income families to help advance the goals of the NCB. One of the ways of seeing how the NCB is lowering the welfare wall is to compare how much disposable income a family receives from employment with what it would receive on social assistance, both before and after the establishment of the NCB.

For illustrative purposes, this example looks at the efforts of the Province of Saskatchewan to lower the welfare wall. Saskatchewan has chosen to complement federal child benefits

Figure 2: One-Parent Family With One 12-Year-Old Child Living in Saskatchewan



¹ Pre-NCB includes after-tax earnings, Child Tax Benefit (including Working Income Supplement) and Goods and Services Tax Credit.

² Post-NCB includes after-tax earnings, Canada Child Tax Benefit (including National Child Benefit Supplement), Goods and Services Tax Credit, Saskatchewan Child Benefit and Saskatchewan Employment Supplement.

with the Saskatchewan Child Benefit and the Saskatchewan Employment Supplement.

Before the introduction of the NCB, a Saskatchewan single parent with one child, working 32 hours a week at minimum wage, had an annual disposable income of about \$11,160. This is identical to what the parent would have received through social assistance. When one considers the additional costs of employment (such as day care, transportation and clothing),

the family would likely have been financially worse off by leaving social assistance for work.

After the introduction of the NCB, including the Saskatchewan Child Benefit and the Saskatchewan Employment Supplement, this same single parent with one child could now receive an annual disposable income of about \$14,760 from working in the same job at the same wage. The increase in disposable income is due to NCB-related increased child

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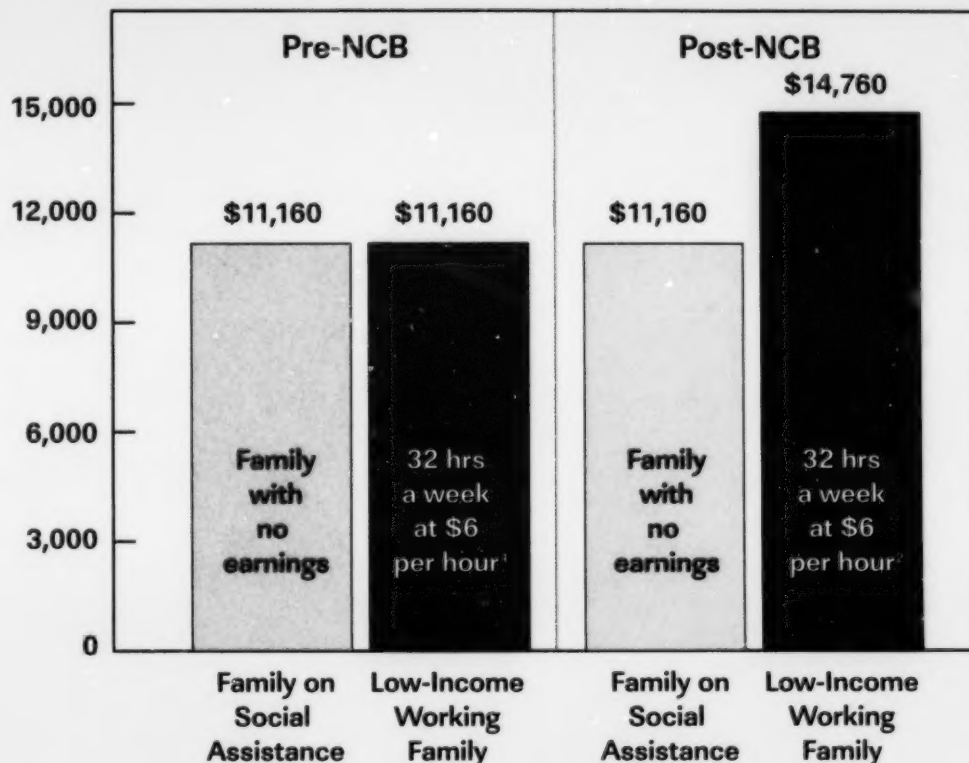
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benefits and the earnings supplement. The family is now about \$3,600 per year better off than if it had remained on social assistance. Through these changes, the NCB has increased the incentive to seek employment and provided increased support for parents in low-income families who have already entered the labour market.

Figure 2 illustrates the disposable income of this single-parent family before and after the establishment of the NCB and compares this amount with what the family may be eligible to receive through social assistance.

While there are many factors that influence a person's decision to seek work rather than remain on social assistance, reducing the welfare wall is one way in which the NCB is making employment a better option for low-income parents.

It is important to note that this analysis takes into account only cash benefits and not in-kind benefits, such as health benefits or other investments in employment support services. These important benefits are another significant consideration for parents when they are looking for work. Through provincial/territorial/First Nations investments and reinvestments in programs and services for all low-income families, the NCB is addressing both the income and service barriers that parents face when they look for employment.

Summary

By providing more child benefits outside of welfare and enhanced benefits and services to low-income families with children, the NCB provides both immediate and longer-term support to help children get off to the best possible start in life. Increased child benefits are reducing child poverty, while investments and reinvestments in benefits and services for all low-income families with children are reducing the welfare wall and supporting parents' participation in the labour market. At the same time, federal, provincial and territorial governments are working in partnership to simplify the administration of child benefits, reduce duplication and enhance the effectiveness of NCB programming.

3. The Federal Component of the National Child Benefit

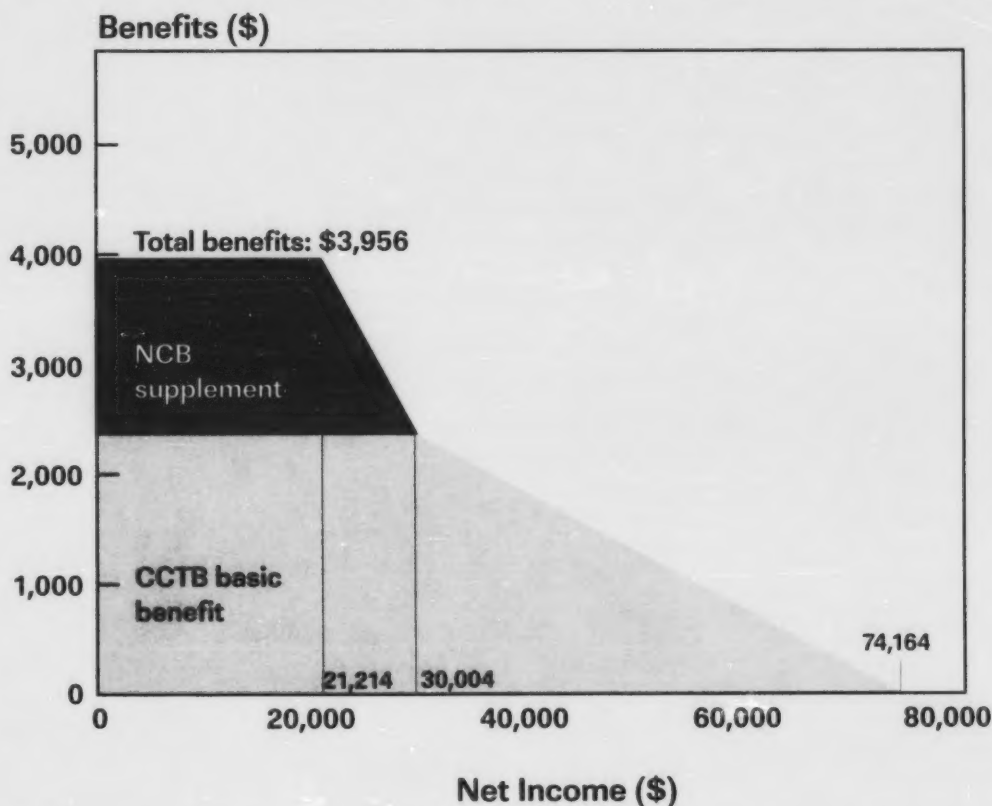
The Federal Child Benefit System

The Government of Canada has provided child benefits to Canadian families for most of the past century. This support has taken a variety of forms, including tax benefits and family allowances.

A description of past changes is provided in *The Evolution of Federal Child Benefits in Canada* on page 12.

Since July 1998, the Government of Canada has provided direct financial assistance to families with children through an enhanced Canada Child Tax Benefit (CCTB). The CCTB is a monthly payment based on family income and number of children. It is designed to recognize the cost of raising children and to help low-income families meet their children's needs.

Figure 3: The Canada Child Tax Benefit For a Two-Child Family as of July 2000





3. The Federal Component of the National Child Benefit

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Figure 3: The Canada Child Tax Benefit For a Two-Child Family as of July 2000

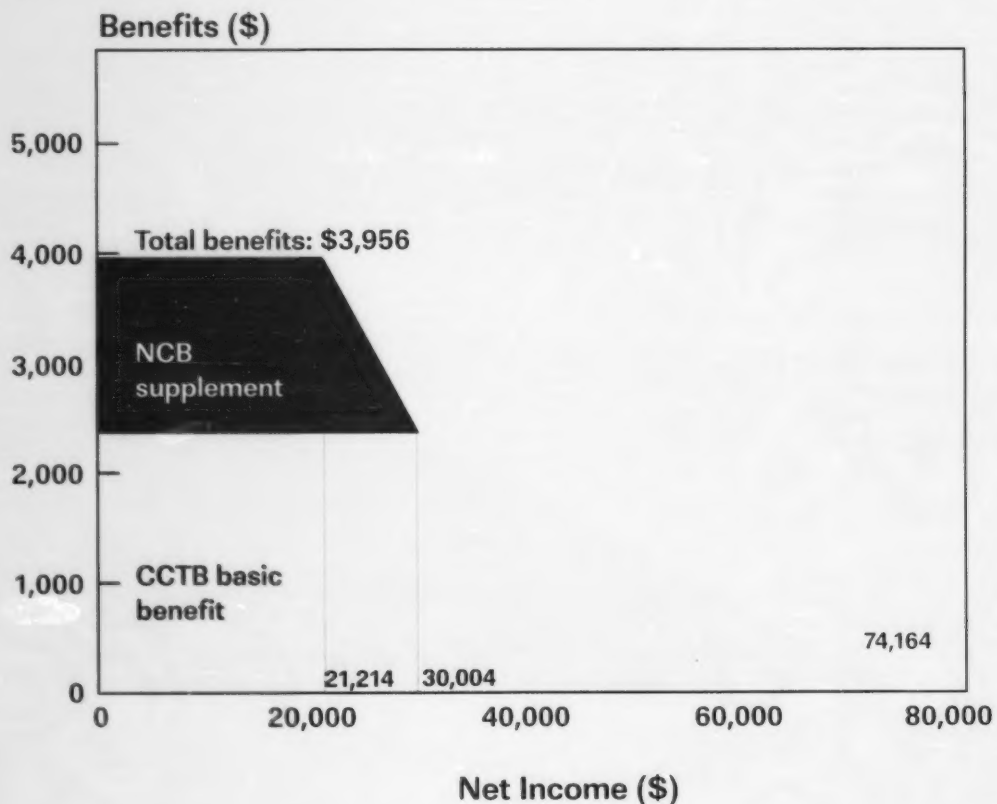


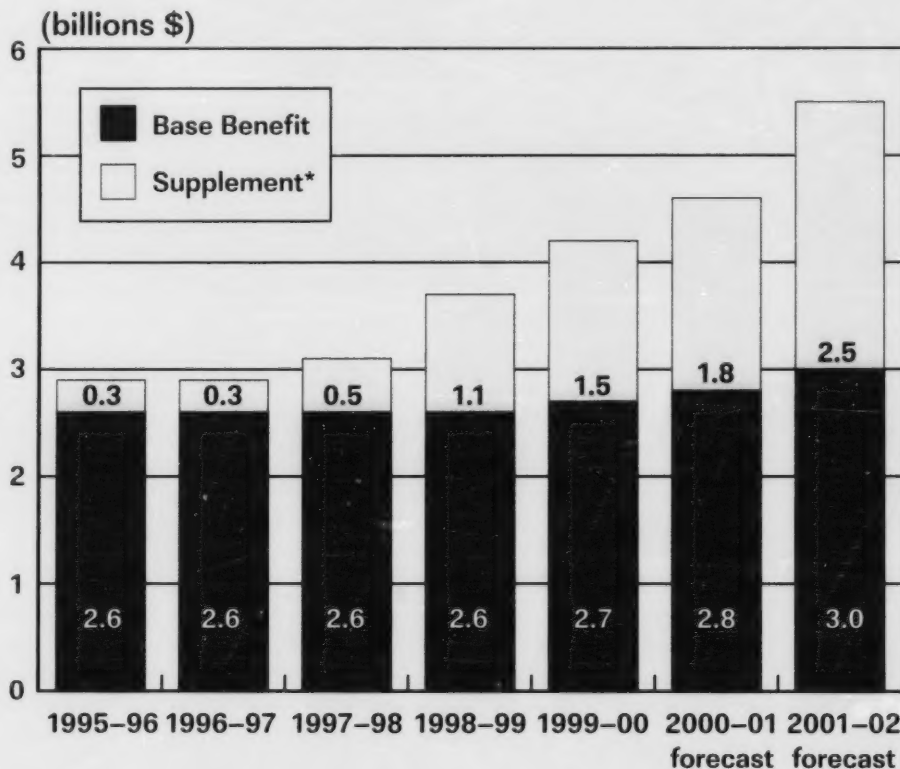
Figure 3 illustrates the amount of federal child benefits paid to a family with two children. The amount of CCTB a family receives depends on its income. Low-income families receive the highest level of benefits. As a family's income increases beyond a certain level, the amount of child benefits is gradually reduced. Through this approach, the CCTB provides higher benefits to those who need support the most.

The CCTB has two main elements: a basic benefit and the National Child Benefit supplement. The basic benefit provides

a platform of child benefits to all low- and middle-income families with children. More than 80 per cent of Canadian families with children receive this basic benefit.

The NCB supplement provides low-income families with additional child benefits on top of the basic benefit. The Government of Canada is contributing to the NCB initiative through investments in the NCB supplement.

Figure 4: Annual CCTB Expenditures for Low-Income Families 1995-96 to 2001-02



* Includes the former Working Income Supplement for the years 1995-96 to 1997-98.

Table 2: Comparison of Maximum Federal Child Benefits in 1996 and 2001

Number of children	1996-97 Maximum CTB+WIS	2001-02 Maximum CCTB+NCBS	Percentage increase in federal benefits
1	\$1,520	\$2,372	56%
2	\$2,540	\$4,544	79%
3	\$3,635	\$6,719	85%
4	\$4,730	\$8,894	88%

Note: Benefits do not include an additional \$221 provided for each child less than seven years of age for whom no child care expenses were claimed.

Increase in Child Benefits Targeted to Low-Income Families

Since 1997, the Government of Canada has been increasing the level of benefits paid to low-income families in July of each year. Figure 4 shows the total value of the CCTB paid to low-income families since 1995 and includes projected expenditures up to 2001-02. The federal investment in the NCB supplement has increased dramatically from \$300 million spent in 1996-97 on the previous Working Income Supplement to an estimated \$2.5 billion in 2001-02. In addition, families receiving the NCB supplement also gain from increases in the basic benefit, which will rise from \$2.6 billion in 1996-97 to an estimated \$3.0 billion in 2001-02.

These payments of \$5.5 billion in 2001-02 will be made to low-income Canadian families on behalf of over 2.5 million children. Not illustrated in Figure 4 are the benefit payments received by middle-income families for an estimated total of \$8.0 billion in 2001-02, up from \$5.1 billion in 1996-97.

As illustrated in Table 2, by July 2001 this increased investment will provide an annual benefit of up to \$4,544 to low-income working families with two children, compared with the maximum annual benefit of \$2,540 that such a family would have received in 1996. This amount represents an increase in federal child benefits of 79 per cent. By 2004, low-income families will receive maximum CCTB annual benefits of \$2,500 for a first child and \$2,300 for a second and each subsequent child, totalling \$4,800 for a two-child family.

Table 3 (on page 13) shows the number of children benefiting from the NCB supplement and the total amount of benefits by province and territory during the first two years of the NCB. Some families receiving social assistance see these amounts offset by reductions in the child benefits they receive from their province, territory or First Nation. Where jurisdictions offset these funds, they are reinvesting them in NCB programs and services for children (described in the next chapter).

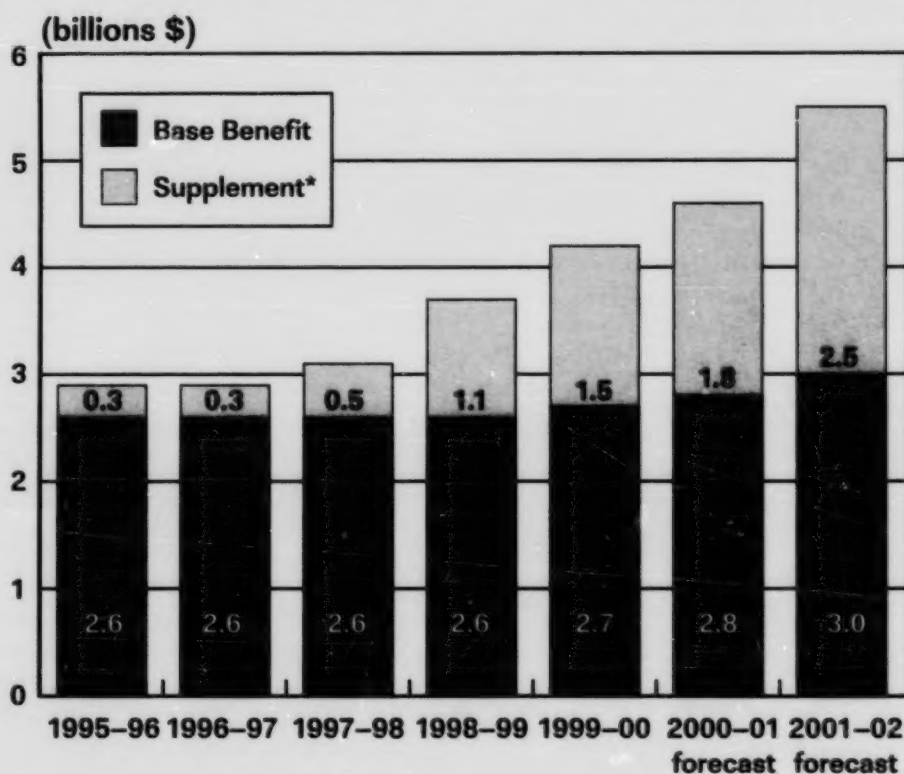
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The Evolution of Federal Child Benefits in Canada

Government of Canada support to families with children dates back to 1918 with the introduction of the **Child Tax Exemption** in personal income tax. The Child Tax Exemption provided income tax savings that increased with taxable income. The exemption provided no benefits to families that did not owe income tax.

Universal Family Allowances were introduced in 1945, providing benefits to all Canadian families with dependent children. The Family Allowance remained "purely" universal until its reform in 1973, when its benefit levels were tripled, indexed to the cost of living and made taxable.

The Government of Canada continued this more targeted approach to child benefits with the introduction of the income-tested **Refundable Child Tax Credit** in 1978. This credit provided the maximum benefit to low-income families, a declining amount to middle-income families and no benefit to wealthy families.

In 1993, the Government of Canada consolidated its child tax credits and the Family Allowance into a single **Child Tax Benefit (CTB)** that provided a monthly payment based on the number of children and the level of family

income. In addition to a basic benefit, the Child Tax Benefit included a **Working Income Supplement (WIS)** to supplement the earnings of working poor families. Total support through the CTB was \$5.1 billion in 1993.

In July 1998, the Government of Canada replaced the WIS with the **National Child Benefit** supplement paid to all low-income families as part of the **Canada Child Tax Benefit**. As its initial contribution to the NCB initiative, the Government of Canada committed an additional \$850 million per year to the new NCB supplement. This was on top of the \$5.1 billion per year that was already provided through the CCTB.

Since 1998, the federal investment in the CCTB has risen dramatically. As of July 2000, the total federal increase in support for families with children through the CCTB reached \$2 billion in ongoing funding (\$1.7 billion through the NCB supplement and \$300 million added to the basic benefit).

Looking to the future, the Government of Canada has made a commitment to continue to improve child benefits for Canadian families through the CCTB. The 2000 federal Budget announced that the Government of Canada would increase its investment in the CCTB by a further \$2.5 billion by 2004. The Budget also announced that CCTB funding would automatically rise with inflation.

Table 3: National Child Benefit Supplement* Paid to Low-Income Families with Children for 1998–99 and 1999–2000

Jurisdiction	July 1998–June 1999		July 1999–June 2000	
	Number of children receiving the supplement	Benefit for July 1998–June 1999	Number of children receiving the supplement	Benefit for July 1999–June 2000
Newfoundland and Labrador	54,300	\$24,300,000	53,900	\$31,400,000
Prince Edward Island	11,800	\$4,980,000	12,500	\$6,870,000
Nova Scotia	84,500	\$37,590,000	85,500	\$50,260,000
New Brunswick	68,600	\$30,690,000	70,100	\$40,910,000
Quebec	588,700	\$255,520,000	603,200	\$341,290,000
Ontario	849,600	\$371,250,000	879,400	\$504,420,000
Manitoba	120,000	\$49,890,000	124,300	\$69,120,000
Saskatchewan	118,800	\$49,120,000	124,500	\$69,480,000
Alberta	239,900	\$100,800,000	248,100	\$138,430,000
British Columbia	324,400	\$143,670,000	339,900	\$198,690,000
Nunavut**	not applicable	not applicable	4,600	\$2,490,000
Northwest Territories	9,200	\$3,820,000	4,900	\$2,680,000
Yukon	2,700	\$1,160,000	2,700	\$1,580,000
Total***	2,474,100	\$1,073,240,000	2,555,300	\$1,458,202,000

* Includes the value of the former Working Income Supplement (WIS).

** Nunavut was created in April 1999. NWT data for 1998–99 includes Nunavut.

*** Includes Canadians living outside of Canada.

A Secure Child Benefit System

A strong child benefit system must provide families with a secure source of support for their children. This is particularly true for low-income families, who often face financial insecurity. The Government of Canada has taken steps to ensure that child benefits are protected against the erosion of inflation. Beginning in January 2000, the CCTB system was indexed to match increases in inflation. This means the basic benefit, the NCB supplement

and the income levels at which families become eligible for benefits are now fully protected against inflation.

Total Federal Investment in the NCB

In addition to the large and growing investment in the NCB supplement to low-income families, the Government of Canada has other investments related to the NCB initiative. These include the

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**Table 4: Total Federal NCB Expenditures on a Program-Year Basis
(\$ million estimated)**

	1998-99	1999-00	2000-01
NCB supplement	1,073.2	1,458.2	1,883.0
Children's Special Allowance	29.0	39.0	50.0
Transitional assistance	16.8	n/a	n/a
Citizenship and Immigration Canada	1.5	0.9	0.9
Indian and Northern Affairs Canada	8.2	8.2	6.2
Total expenditure	1,128.7	1,506.3	1,940.1

Note: INAC figures were adjusted from a fiscal- to program-year basis.

Children's Special Allowance for supporting children in the care of foster parents, government departments or agencies; NCB-related investment for First Nations (over and above NCB reinvestment funds); and additional investment in the Resettlement Assistance Program (RAP) for government-assisted refugees through Citizenship and Immigration Canada (CIC). More details on these programs are included in Appendix 1—Federal Statistics, as well as Appendix 2 for First Nations and CIC.

Total federal NCB expenditures, as summarized in Table 4, were about \$1.13 billion in 1998-99, rising to an estimated \$1.5 billion in 1999-2000. For 2000-01, total expenditures will approach \$2 billion.

Summary

Federal increases in the CCTB are the foundation of an emerging national platform of child benefits for Canadian families. This national platform currently provides benefits to over 80 per cent of Canadian families. By 2004, 90 per cent of Canadian families with children will receive the CCTB.

As part of the NCB initiative, the Government of Canada has dramatically increased the CCTB for low-income families with children. As a result, low-income families are receiving more in child benefits provided outside of the welfare system. This change has important implications, as it provides child benefits that families keep when they move from welfare to employment.

4. The Provincial and Territorial Component of the NCB

Under the National Child Benefit, the Government of Canada increases the benefits it provides to low-income families with children. For families receiving social assistance in most provinces and territories, these increased federal benefits replace part of their social assistance payments.³ This process maintains the level of benefits going to families on social assistance, while providing new benefits to low-income working families. Provinces and territories⁴ reinvest the funds that are made available through this process in programs and services that further the goals of the NCB and benefit low-income families with children. These funds are referred to as "reinvestments." Some jurisdictions are investing additional funds in these benefits and services. These additional funds are referred to as "NCB investments." These investments, combined with reinvestment funds, are referred to in this report as NCB initiatives.

³ In 1998–99, New Brunswick and Newfoundland and Labrador chose not to adjust social assistance payments by the amount of the NCB supplement. New Brunswick continued this policy through 1999–2000. Newfoundland and Labrador adjusted the income support program in 1999–2000 with the introduction of the Newfoundland and Labrador Child Benefit as the provincial reinvestment initiative. In 2000–01, Newfoundland and Labrador, New Brunswick and Manitoba did not recover the NCB supplement increase.

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Focus on Saskatchewan

Launched in July 1998, **Building Independence** represents the most significant change to Saskatchewan's income security programs in 35 years. Three of the four Building Independence programs are part of the NCB initiative.

- The **Saskatchewan Child Benefit** provides a monthly payment to assist low-income families with the cost of raising children.
- The **Saskatchewan Employment Supplement** assists low-income families that have income from employment and maintenance.
- The **Family Health Benefits** program provides supplementary health benefits to children in low-income families to support working families and reduce the risk that children's health costs might drive families onto social assistance.

Building Independence programs provide support outside of welfare, helping parents to move into the labour market and stay there. They address the root causes of low income by helping parents to take advantage of opportunities for a better life.

This approach achieves results. In the two years since the Building Independence programs were introduced, 2,500 fewer Saskatchewan families with children rely on social assistance.

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NCB initiatives build on significant prior investments made by several provinces and territories before the launch of the NCB to support low-income families with children. These investments continue outside the context of the NCB. In addition, provincial and territorial governments continue to provide important financial support to low-income families with children through social assistance or integrated child benefits.

Low-income families—including families receiving social assistance—benefit from the NCB through new or enhanced provincial/territorial initiatives. They also receive the NCB supplement whether or not they are in the labour market. This support reduces the welfare wall and helps families to become self-sufficient.

**Table 5: Provincial/Territorial and First Nations NCB Initiatives
Reinvestments and Total Initiatives, by Jurisdiction
1998–99 Expenditures and Estimates for 1999–2000 and 2000–01
(millions \$)**

Jurisdiction	Expenditures		Estimates		Estimates	
	1998–99		1999–2000		2000–2001	
	Reinvestment	Total Initiatives	Reinvestment	Total Initiatives	Reinvestment	Total Initiatives
Newfoundland and Labrador	0.27	3.92	5.12	17.28	6.85	19.54
Prince Edward Island	0.86	0.86	1.45	1.45	1.70	1.70
Nova Scotia	8.29	8.93	17.64	18.54	23.34	24.21
New Brunswick	n/a	0.63	n/a	6.42	n/a	7.02
Ontario	92.77	105.67	151.01	173.53	183.00	208.60
Manitoba	9.07	10.90	15.67	19.72	16.06	32.06
Saskatchewan	13.01	37.43	21.21	43.99	26.60	44.10
Alberta	6.20	6.20	22.00	22.00	31.50	31.50
British Columbia	60.00	60.00	121.25	121.25	176.25	176.25
Yukon	0.10	0.12	0.20	0.65	0.29	1.08
Northwest Territories*	1.21	3.21	0.66	2.36	1.17	2.59
Nunavut**	n/a	n/a	1.57	2.33	unavailable	unavailable
First Nations	24.16	30.54	43.46	51.56	46.85	55.19
Citizenship and Immigration Canada	0.50	1.95	2.41	3.33	2.70	3.61
Total	216.44	270.36	403.66	484.41	516.31	607.45

* Data for 1998–99 includes Nunavut.

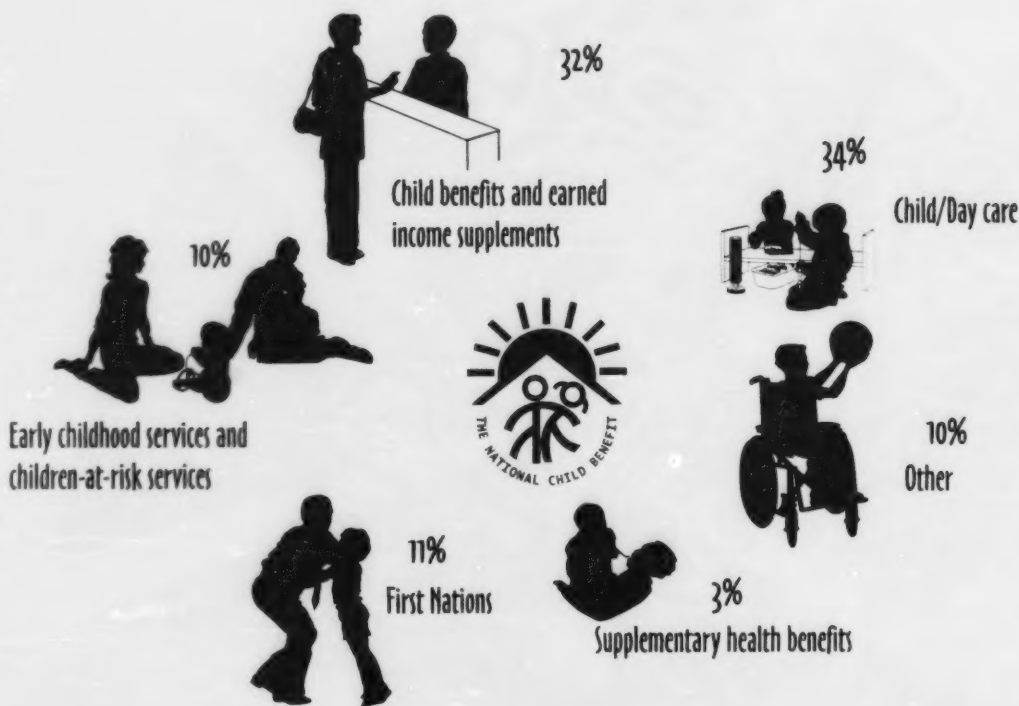
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\$484 Million in NCB Initiatives in 1999–2000

In the NCB's first fiscal year, provincial, territorial and First Nations reinvestments totalled \$216 million (not including Quebec), and additional investments by provinces, territories and First Nations totalled \$54 million. This occurred over a nine-month period from July 1998, when the NCB was launched, to the end of the fiscal year in March 1999.

For the 1999–2000 fiscal year (representing a full 12-month period), reinvestments totalled an estimated \$404 million, with additional investments of approximately \$80 million. Table 5 provides a breakdown of each jurisdiction's reinvestments and total spending on NCB initiatives. Details on First Nations initiatives, which account for approximately 10 per cent of NCB initiatives, are reported in Chapter 5. Details for CIC are reported in Appendix 2.

**Figure 5: Summary of Provincial/Territorial and First Nations NCB Initiatives,
by Program Area, 1999–2000 Estimates**



NCB initiatives build on significant prior investments made by several provinces and territories before the launch of the NCB to support low-income families with children. These investments continue outside the context of the NCB. In addition, provincial and territorial governments continue to provide important financial support to low-income families with children through social assistance or integrated child benefits.

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New Brunswick	n/a	0.63	n/a	6.42	n/a	7.02
Ontario	92.77	105.67	151.01	173.53	183.00	208.60
Manitoba	9.07	10.90	15.67	19.72	16.06	32.06
Saskatchewan	13.01	37.43	21.21	43.99	26.60	44.10
Alberta	6.20	6.20	22.00	22.00	31.50	31.50
British Columbia	60.00	60.00	121.25	121.25	176.25	176.25
Yukon	0.10	0.12	0.20	0.65	0.29	1.08
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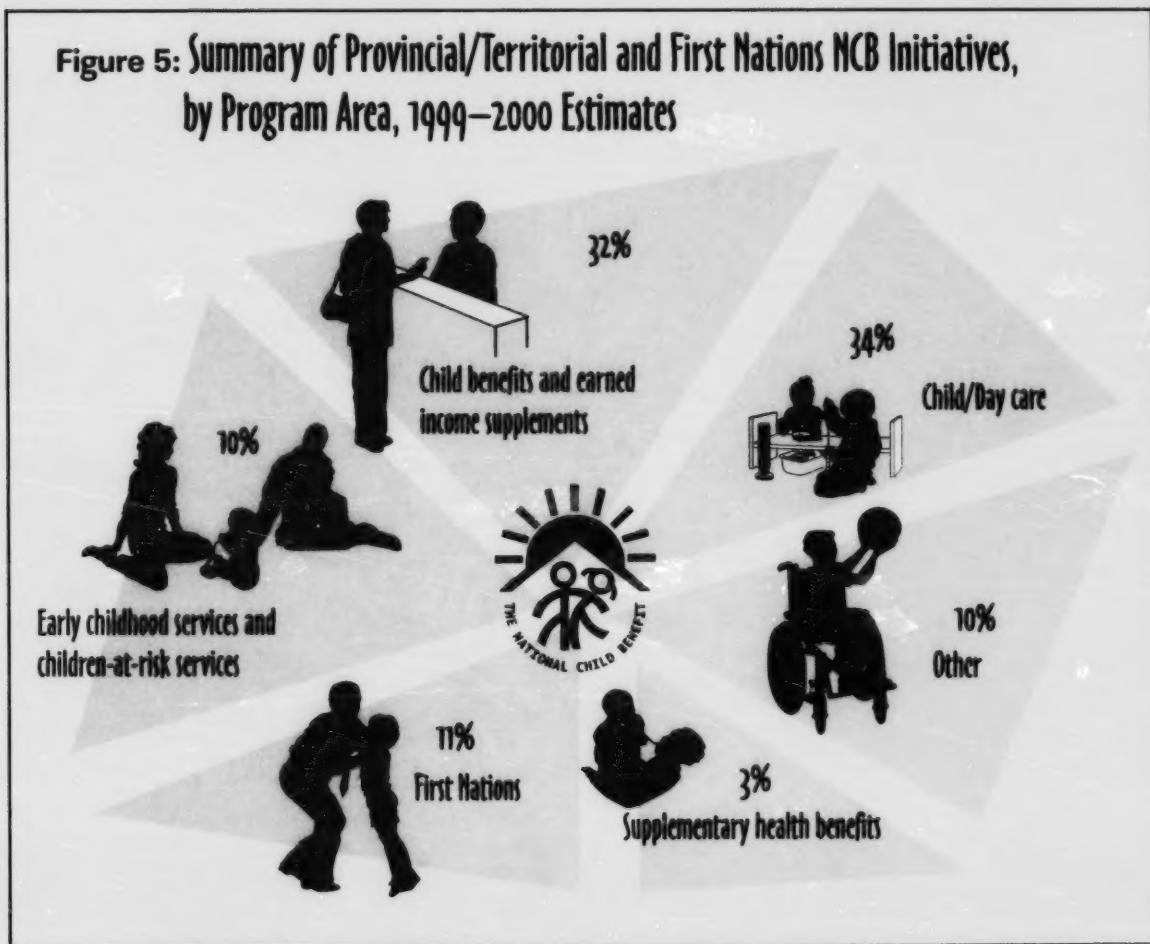
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Figure 5: Summary of Provincial/Territorial and First Nations NCB Initiatives, by Program Area, 1999–2000 Estimates



Focus on British Columbia

Publicly funded care for children from kindergarten to age 12 will be available before and after school for \$7 a day starting January 2001 as part of BC's commitment to helping parents find safe, affordable child care.

The \$7 fee will apply to children who attend licensed child care centres for before- and after-school child care during the school year. BC has about 800 centres with a capacity of 19,000 spaces. As part of the province's NCB reinvestment strategy, it is devoting \$14 million in 2000-01 and \$30 million in 2001-2002 to fund these spaces, with room for a modest expansion in the program from current enrolment levels.

The BC government is working with parents, child care providers and school districts to implement this initiative. The new provincial child care program will expand in the future to include younger children as the budget permits. BC invests about \$188 million annually in child care, including subsidies to parents in low-income families and upgrades to child care facilities.

In determining NCB initiatives, provinces and territories are guided by the National Reinvestment Framework agreed to by the Ministers Responsible for Social Services. Under the reinvestment framework, provinces and territories have the flexibility to make decisions on reinvestments and total initiatives that respond to each jurisdiction's needs and priorities while meeting the objectives of the NCB.

Many provinces, territories and First Nations base their reinvestment decisions on formal or informal consultations with their residents or are including such consultations in a broader based redesign of income supports.

Reinvestments are providing new or enhanced supports for low-income families in five key areas:

- child benefits and earned income supplements;

First Nations also follow a reinvestment framework, which is administered by Indian and Northern Affairs Canada and described in Chapter 5. Citizenship and Immigration Canada administers the Resettlement Assistance Program, which provides new immigrants and refugees with benefits that reflect the amounts that jurisdictions provide through social assistance. As a result, there is also an NCB reinvestment component to this program.

- child/day care initiatives;
- early childhood services and children-at-risk services;
- supplementary health benefits; and
- other services.

Each of these areas is described in this chapter, including examples of provincial and territorial initiatives and how they are furthering the NCB's goals.

Child Benefits and Earned Income Supplements

Child benefits and earned income supplements offer important financial support for low-income families. Increasingly, these benefits are being provided outside of the welfare system so that families receive child benefits whether the parents

Focus on Nova Scotia

Nova Scotia's **Healthy Child Development Initiatives** are designed to give children a better start in life. The programs provide parent education and support, services for families that have children with special needs, and subsidized child care.

Nova Scotia's first portable child care spaces were assigned in 2000. These subsidized spaces are assigned to particular children and not to specific child care centres. The subsidy follows a child if the family moves within the province. This gives parents more flexibility in seeking training and employment.

are currently working or not. These child benefits improve the financial stability of low-income families, offset lower wages that are often tied to entry-level jobs and enable parents to stay in the labour market and work toward higher wages.

Several provinces have completely restructured their social assistance systems to provide child benefits outside of social assistance. As a result, families in these jurisdictions keep their provincial child benefits—in addition to the NCB supplement—when they make the transition from welfare to work. Several other jurisdictions provide child benefits that top up the amount families receive through social assistance in support of their children. In most of these

jurisdictions, the provincial or territorial child benefit is integrated into the Canada Child Tax Benefit monthly payment. This step reduces administration, the third goal of the NCB, as families receive just a single monthly payment.

Some jurisdictions also provide low-income working families with an earned income supplement. This is a form of child benefit that provides families with an employment incentive in the form of additional resources to help with the cost of raising children. Eligibility is tied to earning a certain minimum amount from employment. Earned income supplements top up family earned income for low-wage earners, helping families to cover the added costs of employment.

Focus on Prince Edward Island

By participating in the National Child Benefit initiative, PEI has enriched its child care subsidies. In its first two years, the **PEI Child Care Benefit** has helped to increase the number of children covered by child care subsidies from about 800 per month to 1,200.

The benefit program also provides more assistance per child. Changes such as this are helping more PEI families leave social assistance. Since 1998, the number of families on the social assistance caseload in PEI has dropped by more than 25 per cent. While many factors have contributed to this success, the availability of affordable and quality child care continues to be one of the building blocks to help low-income families participate in the labour force.

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Table 6: Child Benefits and Earned Income Supplements — NCB Initiatives

	1998–99 Expenditures	1999–2000 Estimated	2000–2001 Estimated
Provincial/territorial & CIC expenditures	\$95.3 million	\$152.0 million	\$164.8 million
Percentage of total NCB initiatives	35.2%	31.4%	27.1%

Child benefits and earned income supplements have accounted for the second largest share of NCB initiatives in each year of the NCB.

Child/Day Care

Lack of accessible and affordable child care can be a barrier to employment for low-income parents. Improving access to affordable child care reduces this barrier and contributes to healthy child development.

Provincial and territorial NCB investments in child care have taken a variety of forms, with eight provinces devoting NCB funding to this area. Child/day care has accounted for the largest share of NCB initiative funding in each of the NCB's first three years. About 85 per cent of this funding is for a single program—Ontario's Child Care Supplement for Working Families.

Some jurisdictions provide funding through subsidies to child care facilities that enable these facilities to offer low-income working families access to child care. Others, like the Ontario Child Care Supplement for Working

Table 7: Child/Day Care — NCB Initiatives

	1998–99 Expenditures	1999–2000 Estimated	2000–2001 Estimated
Provincial/territorial expenditures	\$96.8 million	\$167.0 million	\$215.0 million
Percentage of total NCB initiatives	36.9%	34.5%	35.4%

Focus on Ontario

In Ontario, more than 568,500 people, including more than 249,500 dependent children, have stopped relying on welfare since 1995. This positive trend has been supported by:

- a strong economy, which has created 830,000 net new jobs in the same period;
- Ontario welfare reforms that help parents find and keep jobs by giving them work experience while on assistance; as well as,
- Ontario's participation in the National Child Benefit initiative, including Ontario's reinvestment program, the Ontario Child Care Supplement for Working Families.

Focus on the Yukon

The Kids' Recreation Fund is one of the Yukon's most popular recent program additions. It grew out of discussions on the territorial government's anti-poverty strategy. Low-income families said that not being able to afford recreational opportunities for their children was one of their greatest frustrations.

The Kids' Recreation Fund pays up to \$300 per child per year for registration fees and/or special clothing, supplies and equipment for children in low-income families to participate in organized sport, recreation, arts, cultural and social activities. With assistance from this program, children in low-income families can participate in more of the positive, healthy activities that children and families need.

The Kids' Recreation Fund has been so successful that its initial funding was spent before the end of its first year. Its popularity has resulted in a commitment of increased and permanent government funding, and there are plans to seek private sponsorship to expand its benefits to low-income families.

Families, provide assistance directly to families to reduce their share of child care costs while allowing families to choose the form of child care that best suits their needs. Some take a combination of both approaches.

Each of these forms of support is focused on helping low-income families cover the additional costs of child care that result from being employed. Each approach adapts to the specific environment and needs of families in the jurisdiction.

Early Childhood Services and Children-at-Risk Services

The first six years of life are critical to children's development and future well-being. Several jurisdictions are focusing NCB reinvestments on service-related programs that provide early support to optimize child development and give young children a healthy start in life. These programs range from information on nutrition to prenatal screening and parenting skills.

Table 8: Early Childhood and Children-at-Risk Services — NCB Initiatives

	1998–99 Expenditures	1999–2000 Estimated	2000–2001 Estimated
Provincial/territorial expenditures	\$15.5 million	\$50.4 million	\$75.6 million
Percentage of total NCB initiatives	5.7%	10.4%	12.4%

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Focus on New Brunswick

During the 1999–2000 school year, the New Brunswick government piloted a **Healthy Minds** breakfast program in two school districts as one of the province's NCB initiatives.

The pilot attempted to address the nutritional needs of students from kindergarten to Grade 5 in a non-stigmatizing way. More than 2,000 children had access to breakfast foods on an as-needed basis. Participating schools received a per student subsidy, assuming that 20 per cent of students would participate. In addition, schools received \$500 to assist with program-related delivery costs and further funding for equipment.

The evaluation of the pilot was extremely positive. One of the key findings was that schools wanted more flexibility and autonomy in their delivery of a school nutrition program. In response, the New Brunswick government allowed districts to determine the extent of the program they offer (e.g., emergency cupboard, breakfast, snack or lunch) when it expanded the program to all areas of the province during the 2000–01 school year. Renamed the **Healthy Minds Nutritional Partnership**, the program will benefit up to 7,276 students across the province.

It is also vital for children and youth who are at risk to receive support to help them develop in positive directions. Children-at-risk services, ranging from early literacy classes to recreation programs and youth community programs, can make a positive difference to these children.

Programs in this area currently account for the third largest share of NCB initiative funding. This area of investment has grown the most of all categories in terms

of the number of jurisdictions investing in it—increasing from six jurisdictions to ten over the three years of the NCB.

Supplementary Health Benefits

Supplementary health benefits are benefits beyond medicare coverage that are available in some provinces and territories to children in low-income families. These

Table 9: Supplementary Health Benefits — NCB Initiatives

	1998–99 Expenditures	1999–2000 Estimated	2000–2001 Estimated
Provincial/territorial expenditures	\$6.5 million	\$16.5 million	\$24.9 million
Percentage of total NCB initiatives	2.4%	3.4%	4.1%

Focus on the Northwest Territories and Nunavut

The **Healthy Children Initiative** began in the NWT and was adopted by Nunavut when the territory was created. The initiative is based on the understanding that the healthy development of children is essential to the future of society. Communities submit proposals to deliver programs and services to support young children and their families. Each community receives funding based on how many children under age six live there, indexed for income, cost-of-living and a population ratio.

Funding from the Healthy Children Initiative has supported the Hay River-based Growing Together, Prenatal/Early Childhood Initiative for three years. This project began in November 1997 and has grown into a centre that offers programs for the entire family, focusing on children up to six years of age.

During the 1999-2000 fiscal year, 58 parents and 68 children used one or more services of Growing Together. Programs include: cooking circles, sewing circles, parent's time out, play groups, a toy lending library and workshops/field trips for parents and children.

programs ensure that families do not lose important health benefits when they move from welfare into the labour market. This makes it easier for families to leave social assistance because they can still rely on these important benefits for their children.

The health benefits provided vary from one jurisdiction to another. Benefits range from optical care to dental care and prescription drugs. Alberta's Child Health Benefit represents a significant initiative that makes up about 70 per cent of the total amount being spent in this area across Canada.

Focus on Alberta

The **Alberta Child Health Benefit (ACHB)** makes it easier for families to move from social assistance to the labour market and ensures that parents who are already working do not need to turn to social assistance to help their children. All children in low-income families qualify for the program, provided their parents are not on social assistance.

The program improves the lives of nearly 60,000 children by ensuring that they have access to the medicines, dental treatment and optical services they need to progress in school and develop into healthy adults.

Students whose children receive the ACHB were surveyed about the program. Almost 97 per cent of them felt that the program provided the basic services their children required to stay healthy. More than 94 per cent said that the ACHB made it easier for parents to return to school.

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Provincial/territorial expenditures	\$8.5 million	\$16.5 million	\$24.9 million
Percentage of total NCB initiatives	2.4%	3.4%	4.1%

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Focus on Newfoundland and Labrador

In October 1998, Newfoundland and Labrador introduced **Extended Drug Coverage** for families who leave income support programs due to new employment or increased wages.

The program is intended to reduce the barriers low-income families face when they seek employment. It provides six months of full prescription drug coverage and limited dental coverage to help families make the transition to independence.

An analysis of families who benefited from this program indicated:

- prescription drugs were ranked third in importance on the list of family costs, below food, and clothing and shelter; and
- 63 per cent of families who received Extended Drug Coverage are no longer receiving income support.

Supplementary health benefits have grown over the three years in terms of the number of jurisdictions investing in them (five in 2000–01), the dollars invested and the proportion of total investments that are devoted to this area.

Other NCB Initiatives

The flexibility of the NCB enables provinces, territories and First Nations to come up with their own unique answers

to the specific challenges facing their jurisdictions. Six jurisdictions have reinvestments in the category "other NCB initiatives."

The wide variety of reinvestments undertaken by Ontario municipalities, which share responsibility for social assistance with the province, are examples of other initiatives. Municipal reinvestments range from early intervention and child care to employment supports and prevention programs. Other reinvestments account for the fourth largest share of NCB initiative funding.

Table 10: Other — NCB Initiatives

	1998–99 Expenditures	1999–2000 Estimated	2000–2001 Estimated
Provincial/territorial & CIC expenditures	\$22.8 million	\$47.0 million	\$72.1 million
Percentage of total NCB initiatives	8.5%	9.7%	11.9%

Focus on Manitoba

The Manitoba government has introduced new measures to help families who receive Employment and Income Assistance benefits to improve their health and well-being.

Building Independence is the centrepiece of a new strategy designed to offer opportunities to income assistance participants who are looking for work and want to participate meaningfully in their communities. By providing tools such as child care and voicemail services, job readiness assessments, real links to training and employment, and support to agencies, this initiative helps families on assistance prepare for employment.

In addition to helping families connect or reconnect with the labour market, improvements have been made to the income support system for low-income families with children. Families with children age six and under receiving income assistance receive an additional \$20 per month per child; families with school-age children receive an increased school supplies allowance; and families with children benefit through improvements to work incentive levels that ease the transition from welfare to work. These measures help provide the supports people need to lead more dignified, secure lives.

Summary

Provincial, territorial and First Nations reinvestments and investments in benefits and services for low-income families with children have expanded over the three years of the NCB. They play an important part in providing families with resources to improve their children's well-being and in supporting parents in their efforts to succeed in the labour market. The establishment and growth of the NCB has enabled jurisdictions to build and enhance these benefits and services.

NCB benefits and services have expanded their range over three years and are reaching increasing numbers of children. Combined with the federal increase in income support for children through the NCB, these initiatives are making a difference to low-income families.

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5. First Nations and the National Child Benefit

Aboriginal people represent approximately 4.5 per cent of the Canadian population—a percentage that has almost doubled over the past 15 years. Approximately 176,000 First Nations children under the age of 18 live on-reserve.

With a higher birth rate than the Canadian average, Aboriginal children are the fastest growing segment of the Canadian population. Aboriginal children tend to be in larger-than-average families, are twice as likely to be in single-parent families and experience greater levels of low income and unemployment when compared with other Canadian children. In 1995, three out of five Aboriginal children under the age of six were in low-income families, compared with the national average of one in five.

The Aboriginal population participates broadly in the NCB through provincial and territorial initiatives. For First Nations living on-reserve, the situation is somewhat unique in that they design and implement their own community-based NCB initiatives according to an implementation framework developed by Indian and Northern Affairs Canada (INAC). This chapter deals specifically with First Nations living on-reserve who administer the NCB reinvestment in their community.

Samson Cree Nation

The Samson Cree Nation, located south of Edmonton, has implemented the **Healthy Families Project**, a voluntary intensive home visiting program to help families prepare for and care for newborns.

The goal is to provide positive parenting and healthy child development skills, thereby improving child outcomes. The project works with families to identify their strengths and helps them gain access to existing services in the community. This initiative works to provide the mother-to-be with information during her pregnancy, to identify abuse or neglect, to develop a variety of activities aimed at stimulating children after they are born and to develop a nutrition program.

The desired result of these activities is a better start for children and improved long-term success in life.

Implementation of the NCB in First Nations Communities

The Government of Canada ensures that programs for First Nations children on-reserve are comparable with those available broadly to other Canadian children. *Gathering Strength—Canada's Aboriginal Action Plan* stresses the importance of strengthening communities, people and economies. The



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A boriginal people represent approximately 4.5 per cent of the Canadian population—a percentage that has almost doubled over the past 15 years. Approximately 176,000 First Nations children under the age of 18 live on-reserve.

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The Aboriginal population participates broadly in the NCB through provincial and territorial initiatives. For First Nations living on-reserve, the situation is somewhat unique in that they design and implement their own community-based NCB initiatives according to an implementation framework developed by Indian and Northern Affairs Canada (INAC). This chapter deals specifically with First Nations living on-reserve who administer the NCB reinvestment in their community.

Samson Cree Nation

The Samson Cree Nation, located south of Edmonton, has implemented the **Healthy Families Project**, a voluntary intensive home visiting program to help families prepare for and care for newborns.

The goal is to provide positive parenting and healthy child development skills, thereby improving child outcomes. The project works with families to identify their strengths and helps them gain access to existing services in the community. This initiative works to provide the mother-to-be with information during her pregnancy, to identify abuse or neglect, to develop a variety of activities aimed at stimulating children after they are born and to develop a nutrition program.

The desired result of these activities is a better start for children and improved long-term success in life.

Implementation of the NCB in First Nations Communities

The Government of Canada ensures that programs for First Nations children on-reserve are comparable with those available broadly to other Canadian children. *Gathering Strength—Canada's Aboriginal Action Plan* stresses the importance of strengthening communities, people and economies. The

First Nations reinvestment component of the National Child Benefit reinforces this focus and was designed to give First Nations the flexibility to meet their varying needs within the goals of the NCB.

Initially, First Nations faced significant challenges in implementing the NCB initiative. For example, eligibility for the Canada Child Tax Benefit is established through the income tax system. Traditionally, this system was not used by First Nations people, but it is increasingly important in the delivery of income support programs by governments. Other challenges included:

- the need to reconcile the NCB with the increased jurisdictional autonomy being extended to many First Nations and the differing arrangements that exist for First Nations that have social services authority through self-government arrangements;
- the varying capacity of First Nations communities to implement and monitor NCB reinvestment programs, and the high priority many place on building community capacity within First Nations, particularly in smaller communities; and
- the relative isolation of many First Nations communities, which limits economic opportunities and links to labour markets.

Mohawk Council of Akwesasne

In Ontario, the Mohawk Council of Akwesasne has developed a program to address a specific group within its community that it feels is under-served— young males aged 18 to 24.

The program, known as **Nuts and Bolts**, seeks to motivate participants to become involved in a variety of trades. Academic courses, ranging from computers to mathematics to English, are provided in the mornings, while the afternoons are spent working at trades ranging from auto care and electrical training to welding and woodworking.

In each of these sessions, participants learn the tools of the trade and job safety techniques. The program has helped participants improve their academic skills, in some cases even learn to read, while allowing them to gain work-related skills.

Despite these challenges, NCB reinvestments provide First Nations with the flexibility to design and develop innovative community-based programs to strengthen their communities for future generations.

Table 11: First Nations NCB Initiatives (millions \$)

1998–99 Expenditures	1999–2000 Estimated	2000–2001 Estimated
30.5	51.6	55.2

First Nations Initiatives

Approximately 600 First Nations across Canada participate in the NCB initiative. Each of these communities implements NCB reinvestment programs according to established guidelines applying to the province or territory where it is located.

Each region of INAC establishes its own framework for NCB reinvestment based on provincial/territorial frameworks. The applicable INAC framework then guides First Nations in developing their reinvestment initiatives. These region-specific frameworks take into account provincial or territorial programming and the level of investment and/or reinvestment in that province or territory. The onus is on First Nations to ensure that the reinvestment initiatives they design and implement meet NCB objectives.

First Nations programs vary from community to community and tend to cover a wider range of program areas than their provincial and territorial counterparts. This is due to the large variation in the amount of reinvestment funds available to different communities and the efforts of First Nations to tailor reinvestments to meet communities' specific needs.

In regions where the province or territory has made investments in excess of reinvestment funds, additional federal funding is provided to ensure an equivalent level of programs for First Nations children. In 1998–99, for example, the Saskatchewan region received additional funding to cover

Opaskwayak Cree Nation

The Opaskwayak Cree Nation (OCN), situated on the shores of the Saskatchewan River about 620 km north of Winnipeg, is continually working on new and innovative ways of serving its members.

Using a combination of reinvestment funds and existing band resources, OCN has implemented a variety of reinvestment programs, including **Breakfast for Kids, Children's Clothing, High School Summer School, College Preparation** and the **High School Child Care Centre Subsidy**.

These programs complement each other, focusing on youth development through education and work skills programs. In this way, children's long-term success is enhanced, and the NCB goals of preventing child poverty and increasing labour market attachment are furthered.

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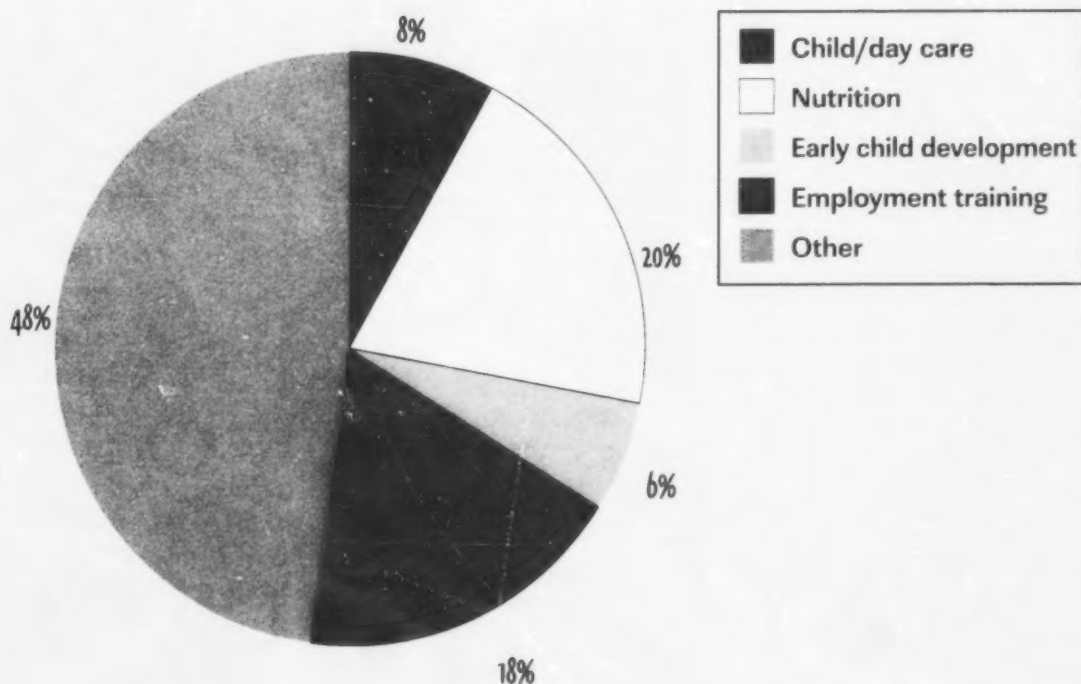
a provincial investment in the Saskatchewan Child Benefit. Also, additional funding was provided to the Yukon for the Yukon Child Benefit, which was implemented in 1999–2000.

The following areas were the focus of First Nations reinvestments and investments in 1998–99:⁸

- **Child/Day Care**—programs to develop and enhance day care facilities and the provision of child care services. They allow more low-income families to gain access to day care spaces or have their share of child care costs reduced.

- **Child Nutrition**—programs directed at improving the health and well-being of children by providing school meal programs as well as education to parents on family nutrition and meal preparation.
- **Early Childhood Development**—programs that focus on parenting skills and drop-in centres for parents. These programs are directed at early intervention for parents to help their children get a healthy start in life.

Figure 6: Summary of First Nations NCB Initiatives, by Program Area, 1998–99



Appendix 2 provides more details on NCB expenditures by First Nations both by region and program area.

- **Employment Opportunities/ Training Programs**—initiatives directed at increasing the skill level of parents, thereby increasing their chances of obtaining employment. Examples include employment and skills development, youth summer work programs and personal development workshops.
- **Other**—a broad range of initiatives ranging from cultural awareness and traditional teachings to recreation activities and income supplements for low-income families.

Who Benefits

Although it is difficult to assess the number of children and families specifically benefiting under the National Child Benefit, it is evident that a significant number of First Nations are involved in reinvestment programs. While the figures that follow were submitted by First Nations, they represent only a benchmark from which the number of children and families benefiting from the NCB can be estimated. Given that, in some instances, First Nations combined resources with existing resources allocated for a current program (e.g., Aboriginal Head Start, First Nation and Inuit Child Care), there may be more children benefiting than are included in the numbers below. The data include only those First Nations for which NCB has funding responsibility and excludes self-governing First Nations in the Yukon.

Table 12: Estimated Number of First Nations Families and Children Benefiting from NCB Reinvestments, 1998–99 and 1999–2000

Region	Approximate Number of Families		Approximate Number of Children	
	1998–1999	1999–2000	1998–1999	1999–2000
Yukon	322	307	554	617
British Columbia	4,174	11,680	6,823	22,236
Alberta	3,638	2,578	9,648	8,529
Saskatchewan	918	4,204	2,280	7,381
Manitoba	2,437	1,960	6,263	4,279
Ontario*	2,122	-	4,901	-
Quebec	2,886	3,799	6,969	11,457
Atlantic**	-	-	-	-
Total	16,497	24,528	37,438	54,499

Note: These figures do not account for all NCB reinvestments.

* INAC figures for Ontario for 1999–2000 were not available.

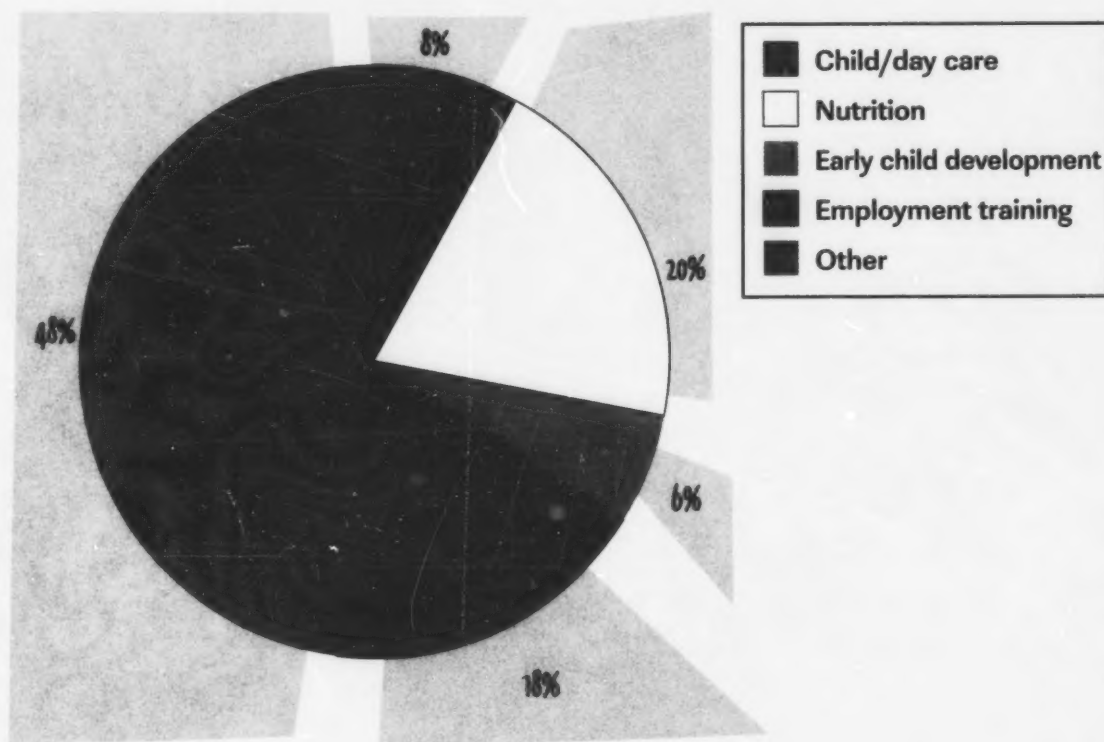
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Evaluation and Reporting for First Nations

First Nations must report annually on how their NCB funds are used and how many children and families benefit from the initiative. Because the NCB for First Nations is administered separately from the federal/provincial/territorial program, a separate evaluation framework has been developed.

Ongoing monitoring and periodic evaluation of the NCB provides First Nations with information they can use to assess the impact of the program on their communities. Monitoring, evaluation and reporting also meet the NCB's public accountability requirements.

First Nations are included in the NCB review process. INAC and First Nations have established a working relationship on NCB evaluation. First Nations participation includes: a working relationship with the Assembly of First Nations; participation on the First Nations National Child Benefit Evaluation Working Group; piloted First Nations self-evaluation workshops and reports on reinvestment projects; feedback to First Nations on the use of their NCB reinvestment program data in a First Nations NCB Progress Report; and First Nations interviews and dialogue circles that will feed into interim and summative evaluations of the NCB.

The purpose for including self-evaluation is twofold. First, it is aimed at developing capacity among First Nations to monitor their programs—NCB and others. Second, it enables individual First Nations to share their progress, strategies and success with NCB programs with other First Nations through an annual First Nations NCB Progress Report. In March 2000, self-evaluation workshops were piloted with 18 self-identified First Nations communities,

including several in each region except the Atlantic. These communities then submitted NCB program self-evaluation reports to INAC to be included in the initial First Nations NCB Progress Report.

In future years, it is anticipated that the self-evaluations will be a "rolling" process, whereby First Nations from each region will be selected at different intervals to participate in a self-evaluation workshop. The resulting reports to INAC will contribute to the annual First Nations Progress Report, to be released in the fall of each year. The first edition of this report will be released in spring 2001. It was written specifically for First Nations, based on their quantitative data and qualitative information reflecting First Nations' experiences with the NCB reinvestment component.

Summary

The National Child Benefit reinvestment component provides a sense of community ownership because it provides flexibility and variability for First Nations to design and develop innovative community-based programs for their children and to strengthen their communities for future generations.

As part of the broader federal/provincial/territorial process, First Nations contribute the lessons they have learned and provide information on the impact the NCB has had on their communities through a separate but coordinated evaluation process. Future reports will document the progress made in assessing the long-term impact of the NCB on the lives of First Nations children and their families.

6. Monitoring Progress

Program monitoring, evaluation and reporting are essential to ensuring government accountability for the funds invested in the NCB and to determining whether the initiative's goals are being achieved. There is a growing movement toward results-based management of programs in government today. Likewise, the progress of the NCB initiative is being monitored through performance management and periodic evaluations.

Performance management involves the ongoing tracking of changes in a range of statistical measures that show how the initiative is working. These measures are called "outcome indicators." The information gathered by monitoring them over time can contribute to better decision-making, accountability and enhanced service delivery.

Periodic evaluations complement performance management. They are regular assessments of the extent to which the initiative is meeting its objectives. Periodic evaluations involve gathering information on the initiative, its results and its cost-effectiveness. Evaluations increase governments' ability to assess the initiative, improve it and make informed decisions about future directions.

Federal, provincial and territorial governments are committed to evaluating and reporting on NCB initiatives. This process is essential to informing Canadians about progress toward NCB goals and to making the initiative more effective as economic and social conditions change. Joint federal, provincial and territorial mechanisms have been developed to help support the NCB accountability framework.

This chapter describes government activities to monitor and evaluate the NCB. Table 13 describes the set of general and direct outcome indicators developed to annually track the degree to which each of the NCB's three goals is being achieved.

Because the initiative is young and less than one year's data are available for analysis, this report focuses on general outcome indicators only. Governments are still developing reliable direct outcome indicators. They will be presented in future progress reports.

Types of Outcome Indicators

There are two types of indicators: those that show how much a situation has changed and those that show how much the NCB is responsible for that change.

General Outcome Indicators show the level of certain conditions that the NCB is trying to affect, such as the rate of child poverty and labour market attachment. They refer to the final impact or broad consequences for the targeted group.

Direct Outcome Indicators show the degree to which NCB initiatives are responsible for the changes measured using general outcome indicators.



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Table 13: Outcome Indicators for the NCB

Goals	General Outcome Indicators	Direct Outcome Indicators
Help prevent and reduce the depth of child poverty.	Depth of low income • Dollar and percentage gap between the average income of poor families and the low-income line (as measured by the LICOs, LIM and, in future, MBM).	Depth of child poverty • The change within each year in the gap between average income of low-income families and the low-income line, due to NCB benefits.
	Incidence of low income • Number and percentage of families and children living on low income (as defined by the LICOs, LIM and MBM). • Number and percentage of families/ children on social assistance.	Incidence of child poverty • The change within each year in the number and percentage of families and children that fall below the low-income line, with and without NCB benefits.
	Duration of low income • Number and percentage of families and children who have been on low income during all four previous years.	Not applicable
Promote attachment to the labour market by ensuring that families will always be better off as a result of working.	Labour market participation • Number and percentage of earners in families below the low-income line and the NCB supplement disappearing point (i.e., the income at which a family no longer receives any supplement). • Average earned income as a percentage of the low-income line and the NCB supplement disappearing point. • The number of earners below the low-income line times the average income.	Not applicable
Reduce overlap and duplication by harmonizing program objectives and benefits and simplifying administration.	<i>Level 1</i> – use of federal income tax platform. <i>Level 2</i> – participation rates in NCB programs, examples of expanded information-sharing agreements. <i>Level 3</i> – case studies, surveys of managers.	Not applicable

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General Outcome Indicators: How Low-Income Canadian Families Are Doing

To understand the effects of the National Child Benefit, it is important to consider the complex environment in which low-income families live. This is the environment that the NCB grew out of and is trying to improve. This section shows how key economic and social trends in areas related to the NCB's goals are measured, including measures of low income and attachment to the labour market. These general outcome indicators show how the situation of low-income families with children has changed in recent years.

The first NCB progress report, published in 1999, examined the trends between 1984 and 1997 that led governments to implement the NCB initiative. These trends included increasing numbers of low-income families and stagnant employment and incomes for low-income families. This report provides low-income data for previous years and newly available data for 1998 covering the first six months of the NCB initiative.

As with the previous NCB progress report, this report uses both pre-tax Low-Income Cut-Offs (LICOs) and the post-tax Low-Income Measure (LIM) to define the situation of low-income Canadian families with children under the age of 18. These measures allow the report to examine trends relating to the low-income population, including family type, incidence and depth of low income, and sources of

income. The two measures show different numbers of families living on low income, but the trends they illustrate are very similar.

Canadian governments are using income support through the NCB to help improve the situation of low-income families with children. The measures of low income discussed in this report indicate how Canadian families are faring in terms of income, but they do not reflect the impact of the many other investments in benefits and services that are also key to improving the well-being of children.

As noted in "A Policy Blueprint for Canada's Children,"⁷ income is one of three important "enabling conditions" to ensure positive child outcomes. The other two are positive parenting and supportive communities. They are being addressed by many of the provincial and territorial initiatives funded through the NCB. These initiatives don't directly affect income trends, but they are an important part of governments' strategies to support Canadian families.

Key trends for low-income families with children include the following:

- By 1998, there were declining numbers of low-income families with children. Since reaching a high point of 20.5 per cent in 1996, the proportion of low-income families has steadily declined. But, at 18.0 per cent in 1998, it is still above the best result of 14.6 per cent achieved in 1989.
- Low income is a temporary situation for most families. Between 1995 and 1998, only 1 in 10 children lived in a low-income family for all four years.

7. J. Jensen. "A Policy Blueprint for Canada's Children," Canadian Policy Research Networks, October, 1999.

- The number of children living in families in receipt of social assistance declined steadily from 1994 to 1998.
- More low-income families were earning income from employment than in previous years, rising from 56.2 per cent in 1994 to 68.2 per cent in 1998.

Measuring Low Income

Several different measures of low income are used in Canada and in recent years, there has been considerable debate about how best to measure low income. Some people believe low income means lacking enough income to buy the basic necessities of life, such as food, shelter and clothing. Others take the view that it means not having enough income to participate fully in their communities. Still others believe low income begins somewhere in between.

The two most widely used indicators in Canada are Statistics Canada's Low-Income Cut-Offs (LICOs) and the Low-Income Measure (LIM). Both are relative measures that establish a dollar figure below which a family is considered to be living on low income. They can be reported on pre- or post-tax income. As well, there is the Market Basket Measure (MBM), which will be used beginning in 2002.

LICOs indicate the income levels below which families must spend significantly more of their income on basic needs (food, shelter and clothing) than the average family. The size of the family and community are taken into account, but geographic differences in the cost of living are not. In January 2000, Statistics Canada changed its primary LICOs measure to one based on income levels after taxes. However, this report continues to use pre-tax numbers because the new measure is not yet in wide use.

The LIM was developed as an alternative to the LICOs. It considers a family to be living on low income if its income, adjusted for family size (number of adults and children), is less than half the median income (the income level at which the incomes of half of all families are higher and half are lower).

The post-tax-and-transfer LIM is similar to measures used in international comparisons, but it does not reflect geographic differences in living costs across Canada.

A Declining Percentage of Low-Income Families

The number of families living on low income is strongly influenced by economic conditions and changes in population, such as the number of single-parent families. During the period of economic growth between 1984 and 1989, the number of low-income families with children as a proportion of all Canadian families with children decreased (see Figure 7). This proportion is referred to as the "incidence of low income" and is expressed as a percentage of all families with children. Both the LICOs and LIM demonstrate this trend.

The recession of the early 1990s contributed to a rise in the incidence of low-income families with children. Even after the economic recovery had begun in 1993, there was little progress in reducing the incidence of low income. Since 1996, however, there has been a steady and significant decline in the proportion of low-income families. While the incidence is still above the all-time low of 1989, it now appears that low income is on a steady downward track, consistent with past experience during times of strong economic growth. Using the LICOs measure, the incidence of low income dropped from 20.5 per cent in 1996 to 18.0 per cent in 1998. This reduction translates into more than 108,000 families moving above the LICOs between 1996 and 1998.

The Market Basket Measure

The Market Basket Measure (MBM) is a new measure developed by the federal, provincial and territorial governments.

The MBM identifies income levels required for a basic, adequate standard of living that is above the subsistence level. These income levels are based on the actual cost of goods and services in various communities across Canada. The measure identifies how many people live in households that fall below a defined standard of living.

The LIM and the LICOs are based on median incomes adjusted for household size and composition and for average consumption patterns, respectively. The MBM is based on the actual cost of food, clothing, shelter, transportation and other necessary goods and services, such as household supplies and telephone service, that are widely viewed as unacceptable for any household to be without. Households are considered to be living on a low income if they do not have enough income to pay for this basket of goods and services after accounting for income and payroll taxes and out-of-pocket spending. This out-of-pocket spending includes such items as child care necessary to earn income, medically prescribed health expenses and aids for persons with disabilities.

Compared with existing measures, the MBM is a more precise reflection of differing living costs by geographic location.

The data needed to develop income thresholds for 2000 are being collected. Beginning with the 2002 NCB progress report, the Market Basket Measure should prove a valuable complement to existing measures in tracking low income.

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Several different measures of low income are used in Canada and in recent years, there has been considerable debate about how best to measure low income. Some people believe low income means lacking enough income to buy the basic necessities of life, such as food, shelter and clothing. Others take the view that it means not having enough income to participate fully in their communities. Still others believe low income begins somewhere in between.

The two most widely used indicators in Canada are Statistics Canada's Low-Income Cut-Offs (LICOs) and the Low-Income Measure (LIM). Both are relative measures that establish a dollar figure below which a family is considered to be living on low income. They can be reported on pre- or post-tax income. As well, there is the Market Basket Measure (MBM), which will be used beginning in 2002.

LICOs indicate the income levels below which families must spend significantly more of their income on basic needs (food, shelter and clothing) than the average family. The size of the family and community are taken into account, but geographic differences in the cost of living are not. In January 2000, Statistics Canada changed its primary LICOs measure to one based on income levels after taxes. However, this report continues to use pre-tax numbers because the new measure is not yet in wide use.

The LIM was developed as an alternative to the LICOs. It considers a family to be living on low income if its income, adjusted for family size (number of adults and children), is less than half the median income (the income level at which the incomes of half of all families are higher and half are lower).

The post-tax-and-transfer LIM is similar to measures used in international comparisons, but it does not reflect geographic differences in living costs across Canada.

A Declining Percentage of Low-Income Families

The number of families living on low income is strongly influenced by economic conditions and changes in population, such as the number of single-parent families. During the period of economic growth between 1984 and 1989, the number of low-income families with children as a proportion of all Canadian families with children decreased (see Figure 7). This proportion is referred to as the "incidence of low income" and is expressed as a percentage of all families with children. Both the LICOs and LIM demonstrate this trend.

The recession of the early 1990s contributed to a rise in the incidence of low-income families with children. Even after the economic recovery had begun in 1993, there was little progress in reducing the incidence of low income. Since 1996, however, there has been a steady and significant decline in the proportion of low-income families. While the incidence is still above the all-time low of 1989, it now appears that low income is on a steady downward track, consistent with past experience during times of strong economic growth. Using the LICOs measure, the incidence of low income dropped from 20.5 per cent in 1996 to 18.0 per cent in 1998. This reduction translates into more than 108,000 families moving above the LICOs between 1996 and 1998.

The Market Basket Measure

The Market Basket Measure (MBM) is a new measure developed by the federal, provincial and territorial governments.

The MBM identifies income levels required for a basic, adequate standard of living that is above the subsistence level. These income levels are based on the actual cost of goods and services in various communities across Canada. The measure identifies how many people live in households that fall below a defined standard of living.

The LIM and the LICOs are based on median incomes adjusted for household size and composition and for average consumption patterns, respectively. The MBM is based on the actual cost of food, clothing, shelter, transportation and other necessary goods and services, such as household supplies and telephone service, that are widely viewed as unacceptable for any household to be without. Households are considered to be living on a low income if they do not have enough income to pay for this basket of goods and services after accounting for income and payroll taxes and out-of-pocket spending. This out-of-pocket spending includes such items as child care necessary to earn income, medically prescribed health expenses and aids for persons with disabilities.

Compared with existing measures, the MBM is a more precise reflection of differing living costs by geographic location.

The data needed to develop income thresholds for 2000 are being collected. Beginning with the 2002 NCB progress report, the Market Basket Measure should prove a valuable complement to existing measures in tracking low income.

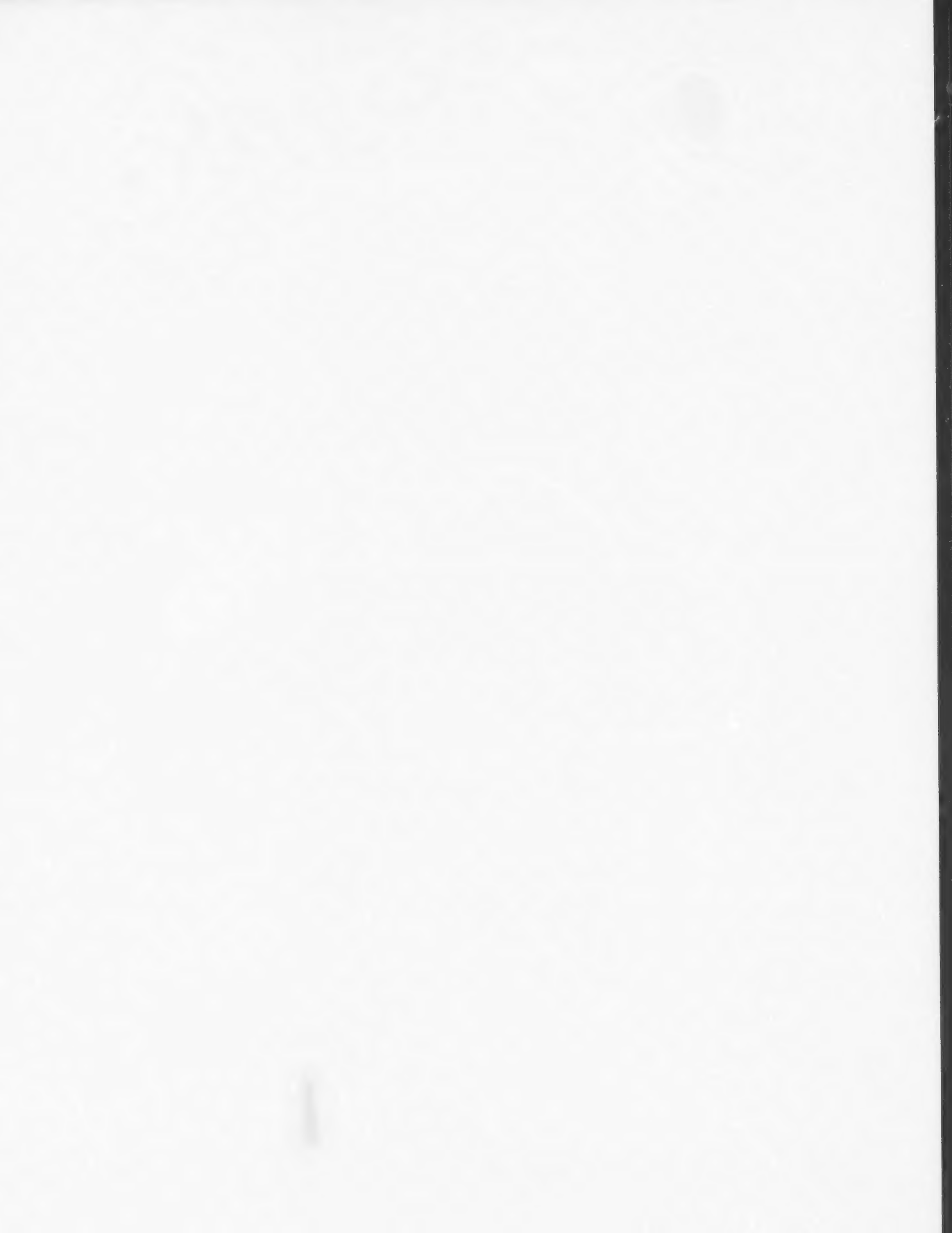
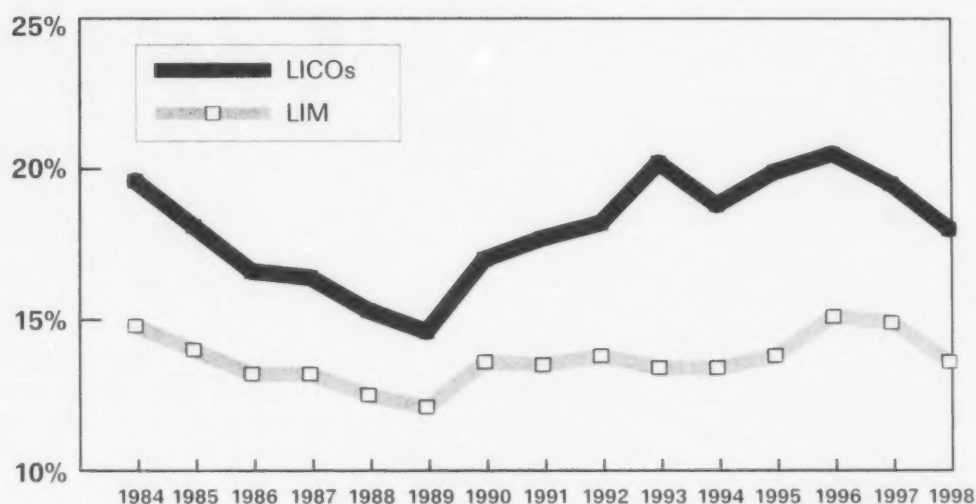


**Figure 7: Percentage of Low-Income Families with Children
LICOs and LIM, 1984-1998**



Depth of Low Income Remains Steady

The depth of low income is the difference between the average income of all low-income families and the low-income line.

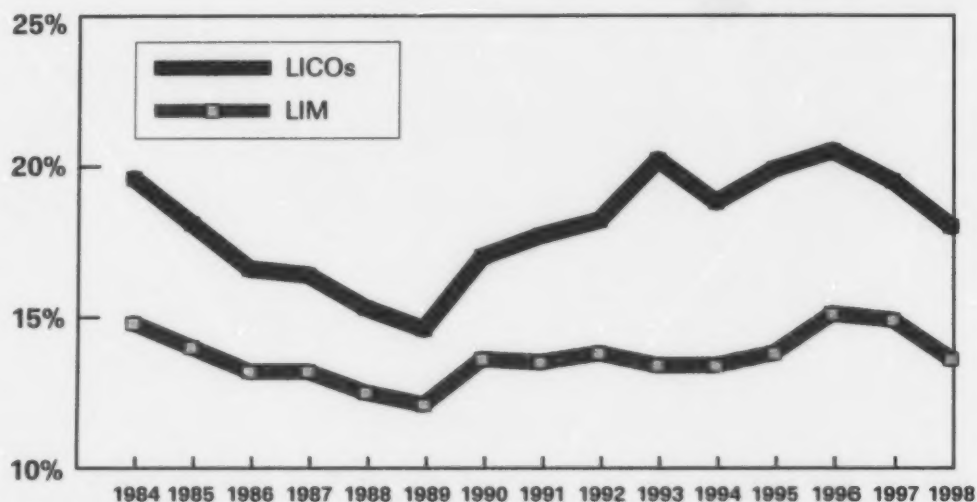
The low-income gap can be illustrated using the example of a two-parent low-income family with two children, as set

out in Table 14. The average low-income gap for such a family in 1998 is shown by the difference between their average income and the LICOs and LIM. Using the LICOs, the gap was about \$11,000. Using the after-tax LIM, it was about \$6,200. This represents the amount of additional income the average low-income family of this size would need to move out of a low-income situation.

Table 14: Depth of Poverty for a Two-Parent, Two-Child Family Living in a City of More than 500,000 People in 1998

	1998 Threshold (\$)	Average income for this type of low-income family (\$)	Difference between average income and threshold (\$)	Percentage below threshold (%)
Pre-tax LICOs	33,063	21,987	11,076	33.5
Post-tax LIM	22,814	16,608	6,206	27.0

**Figure 7: Percentage of Low-Income Families with Children
LICOs and LIM, 1984-1998**



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Pre-tax LICOs	22,993	21,997	11,079	23.5
Post-tax LIM	22,814	16,603	6,206	27.0

Complex factors make it difficult to interpret changes in the depth of low income. For example, if families who are closer to the low-income line increase their incomes enough to no longer be considered low income, the average depth of low income for those who remain below the low-income line actually increases. This result gives the impression that the situation has worsened for all, when it has really improved for many.

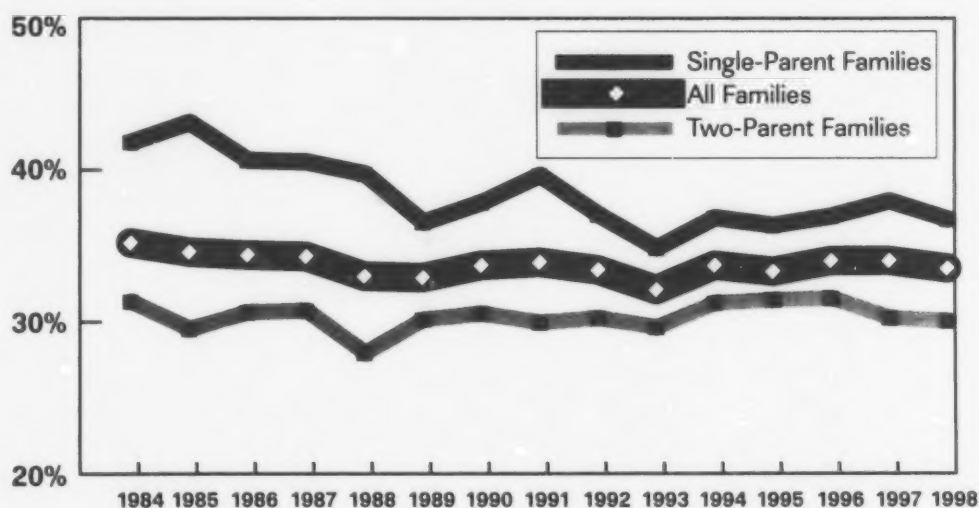
Despite its limitations, the depth of low income is an important indicator of how low-income families are doing. It tells us how far families are from being out of low income. More analysis is needed to understand how the depth of low income changes over time.

Low Income is Temporary for Most

Most analyses of low income examine families on a year-to-year basis. However, this approach overlooks the fact that many families move in and out of low income over time. Low income is not a permanent situation for most families with children. For example, about a quarter of all children (24.5 per cent) lived in a family below the LICOs for at least one of the four years between 1995 and 1998. However, considerably less than half of these children (10.1 per cent) lived in a low-income situation for all four years.

Low income is not a long-term experience for most families, which points to the value of initiatives such as the NCB that help families stay out of low-income circumstances.

**Figure 8: Income of Low-Income Families with Children,
Percentage Below LICOs, 1984–1998**



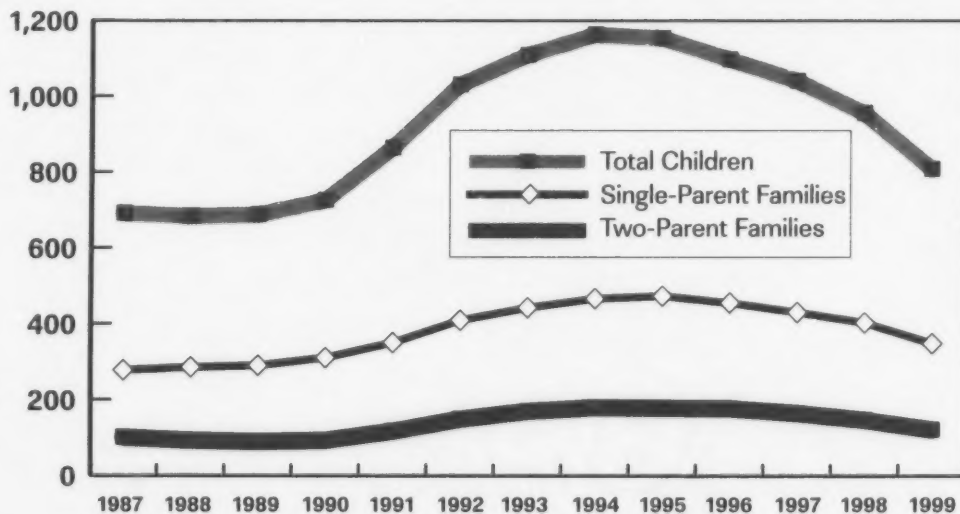
Fewer Canadian Children are on Welfare

Corresponding to the trend toward fewer low-income families with children, the number of children in families relying on social assistance decreased by 30 per cent (354,300 children) between 1994 and 1999. Figure 9 illustrates that the decline in the number of children was particularly significant between 1997 and 1999, with 231,900 children in families leaving welfare over those two years.

Figure 9 shows the total number of children depending on social assistance and the number of families on social assistance, broken down by single- and two-parent types. The reduction in the number of two-parent families on social assistance was slightly higher than for single parents between 1994 and 1999 (32 per cent compared with 26 per cent).

This reduction in welfare caseloads—not seen since before the last recession—is due not only to economic growth, but also to welfare reforms, including the restructuring of social assistance systems in several jurisdictions.

**Figure 9: Social Assistance Data in March of Each Period, 1987–1999
(in thousands)**



Canadian Families Leaving Welfare for Work

Many low-income families are moving off social assistance and into jobs. As Figure 10 illustrates, the total percentage of low-income families in which the parents were in paid employment continued to grow with the economic recovery of the mid-1990s.

Recent improvements in economic growth contributed to increasing average market incomes for low-income families. Figure 11 shows the trend in the average market income of low-income families over the 1980s and 1990s.

Figure 10: Pre-tax LICOs—Percentage of Low-Income Families Employed for Pay During the Year, by Family Type, 1984–1998

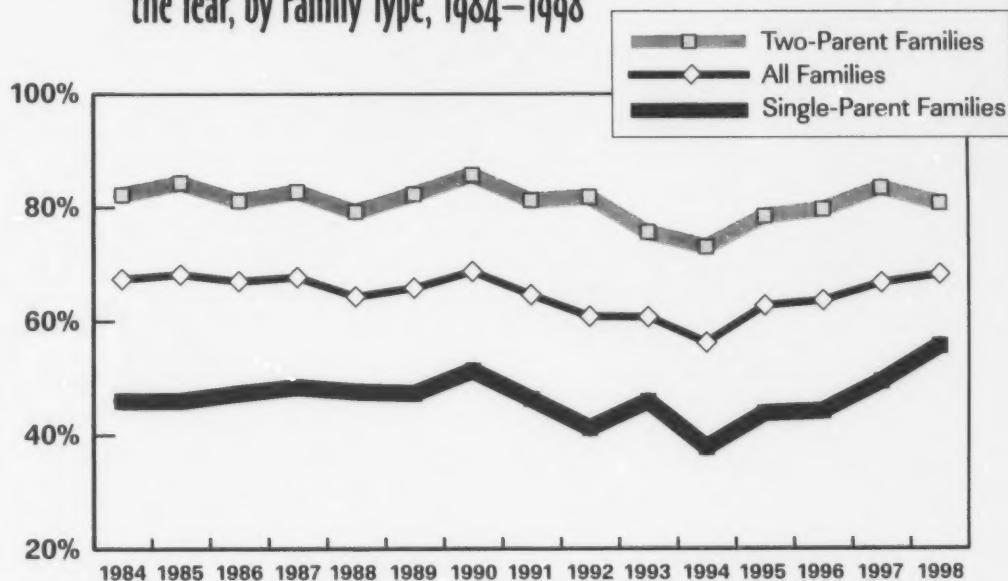
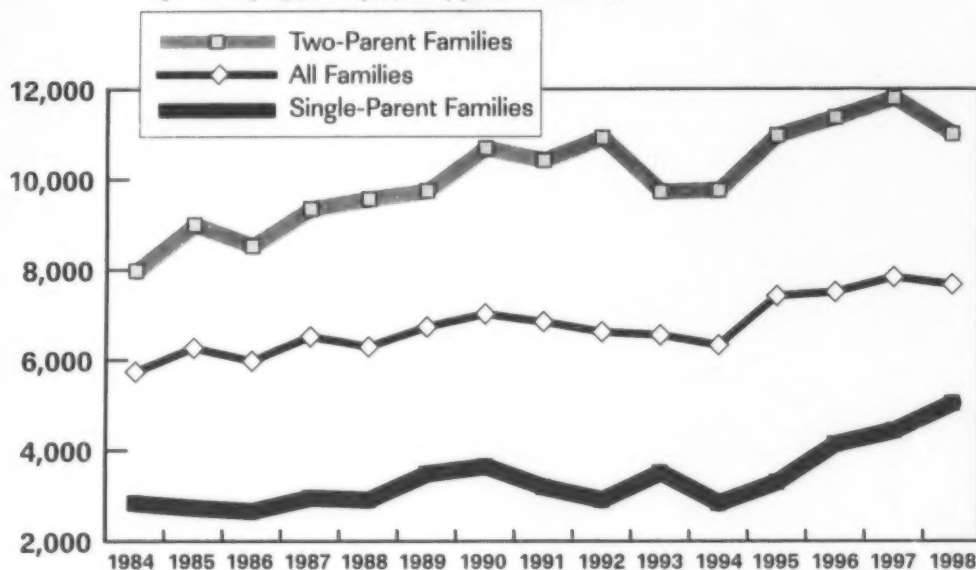


Figure 11: Pre-tax LICOs—Low-Income Families' Average Market Income by Family Type, 1984–1998 (in dollars)



Moving Toward Direct Outcome Indicators

It is not yet clear exactly how the NCB is affecting all the trends in the general outcome indicators reported above. The database of information being compiled through the NCB reporting process will help to clarify this relationship. The information has particular value since the NCB is a phased and multi-year initiative that should be assessed over the entire period. In anticipation of such an assessment, direct outcome indicators are being developed to show the degree to which the NCB initiatives are responsible for these changing trends (see Table 13 on page 34).

Evaluation

Monitoring changes in outcome indicators does not provide enough information to determine how successful the NCB has been in achieving its goals. While general outcome indicators tell us whether we are moving in the right direction and at what speed, they do not tell us whether and to what extent the NCB is responsible for changes in trends.

Even direct outcome indicators tell only part of the story. They do not describe how the NCB interacts with other economic forces. They do not reflect how NCB-recipient families respond to the higher levels of disposable income they receive through the cash transfers, or to the reduced level of the welfare wall. These indicators do not show how well NCB initiatives have been implemented or how effective reinvestments are in

achieving their objectives. Governments are committed to a formal evaluation of the NCB in order to explore these issues.

In June 1999, the federal, provincial and territorial governments agreed to pursue a coordinated approach to evaluating the NCB. In March 2000, they completed an assessment of how to evaluate the NCB. Experts on child poverty and labour market issues helped to develop and refine the means by which the NCB can be evaluated.

The result is a four-year strategy to evaluate the NCB initiative. Plans and funding have been approved for the first two years of the evaluation.

The evaluation will include an assessment of federal child benefits as well as provincial and territorial initiatives. The evaluation will:

- review how the NCB was implemented;
- assess the degree to which the NCB's goals are being achieved; and
- assess, where possible, the contribution each component of the NCB initiative has made to achieving the three goals.

Both quantitative and qualitative evidence will be used in the evaluation, which will include an analysis of the work already completed to identify indicators. The evaluation will also involve a survey of 5,000 NCB clients from across Canada. Focus group sessions will be conducted. The aim is to obtain greater insight into how reinvestment initiatives affect the lives of low-income families.

A net impact analysis of the NCB will be performed to isolate the results caused by particular programs. Econometric

modeling will be used to estimate the potential effects of NCB initiatives, related provincial and territorial programs, and general socio-economic trends on pre- and post-NCB changes in areas such as labour supply, low-income status and social assistance dependence. Analysis of sub-groups, such as low-income families on social assistance and the working poor, will also be performed.

The NCB operates in a complex socio-economic environment with numerous factors influencing labour supply, low-income status and social assistance dependence. It will be a challenge to isolate the effects caused directly by the NCB. Nonetheless, federal, provincial and territorial governments believe that this type of analysis is critical to a comprehensive evaluation strategy.

The evaluation will also assess the third goal of the NCB—to harmonize federal/provincial/territorial programs and simplify their administration. Indeed, the growing number of NCB interventions and the array of government programs already directed at low-income households suggest that harmonization is an important issue in evaluating the NCB.

The goal of harmonization will be measured in several ways. First, the use of the tax system to deliver benefits will be compared with delivering benefits through a variety of provincial programs. A second harmonization study will involve an examination of specific NCB programs and whether they have achieved better outcomes and greater policy and/or service delivery integration within the community.

This four-year comprehensive evaluation should contribute to a broader understanding of the results being generated by

the NCB and how these results can be used to improve NCB initiatives. Preliminary results of the evaluation are expected by the fall of 2001.

Summary

A review of recent statistical trends shows there are fewer low-income families in Canada. Low-income remains a

temporary situation for most families touched by it. Moreover, there has been less reliance on welfare and more on employment. Most of these encouraging trends coincide with Canada's improving economic conditions during the late 1990s and the introduction and expansion of the NCB.

A more thorough report on the NCB's progress will be possible as data become available on direct outcome indicators and as program evaluation activities move forward.

7. The Way Ahead

Low-income families with children are beginning to share in the gains of Canada's strong economic growth. However, federal, provincial and territorial Ministers Responsible for Social Services realize that fighting child poverty will take a sustained effort in the years to come.

In its first two years, the NCB has put in place the key components of a reformed child benefit system. A stronger national platform of child benefits is being built, along with additional benefits and services provided at the provincial and territorial levels. The 2000 federal Budget took steps both to enhance this platform through a third significant investment and to ensure its sustainability by restoring full indexation to the personal income tax system.

The benefits and services that provinces, territories and First Nations are providing under the NCB initiative are equally important components of this reformed system. These investments have been expanded since the establishment of the NCB and have benefited from jurisdictions sharing knowledge and experiences. This is one of the great benefits of the NCB.

In July 2000, on the second anniversary of the NCB, the Minister of Human Resources Development Canada and the Nova Scotia Minister of Community Services issued a policy statement on behalf of federal, provincial and territorial Ministers Responsible for Social Services. This statement, entitled *National Child Benefit Future Directions*, emphasized the ministers' ongoing commitment to the NCB initiative and identified what they regarded as the key features of the NCB for the future:

- a multi-faceted approach to addressing child poverty and labour market attachment by supporting a variety of programs, such as integrated child benefits, earnings supplements, extended health benefits, child nutrition initiatives and child day care;
- a partnership between Canadian governments that is characterized by shared decision-making and policy development that puts the needs of children first; and
- a learning model of accountability based on regular reporting on performance and promoting program effectiveness, information sharing and learning.

Governments have agreed to further assess child poverty trends, the degree to which the NCB is achieving its objectives and further government investments that may be necessary to achieve full implementation. As part of their ongoing commitment to openness and accountability, ministers will continue to provide updates on the NCB initiative and publish annual progress reports.

The NCB is still a young initiative, and the full extent of its benefits will be fully realized over time. As the evaluation process continues and is refined, a better sense of the NCB's impact will emerge, and more information will be available on its success in achieving its objectives and its effect on the lives of Canadian children.

Invitation to Dialogue

Canada's federal, provincial and territorial governments want to hear from Canadians about the National Child Benefit initiative, how it is working and how it can be improved. An Internet site located at <http://socialunion.gc.ca> provides information on the National Child Benefit as well as an opportunity for visitors to submit questions and comments. Comments can also be sent by mail to:

National Child Benefit
Box 307
Ottawa ON
K1A 0J9

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Appendix 1—Federal Statistics

Introduction

The information contained in this appendix was obtained from the Canada Customs and Revenue Agency, formerly Revenue Canada, based on its tabulations of the former Child Tax Benefit (CTB) and Working Income Supplement (WIS), and the current Canada Child Tax Benefit (CCTB), including the National Child Benefit supplement. Tabulations are based on a program year that runs from July to June.

The CTB was introduced in 1993 as an income-tested benefit to replace Family Allowances and the refundable and non-refundable child tax credits.

The WIS was also introduced in 1993 to provide greater income support and to improve work incentives to low-income working families. The WIS paid up to \$500 to each family with earned income of at least \$3,750 and net income below \$25,921. Changes to the CTB/WIS as a result of the NCB were made in two phases:

- enhancement and restructuring of the WIS in 1997–98; and
- replacement of the CTB/WIS with the CCTB in 1998.

Tables 1a to 1c show the value of the CTB and WIS for the benefit years 1995–96 to 1997–98. As of July 1998, these programs were replaced by the CCTB, which is composed of the basic benefit and the NCB supplement. Tables 1d and 1e show the value of the CCTB for the benefit years 1998–1999 to 1999–2000.

Federal NCB expenditures include:

- the **NCB supplement**—paid to all eligible low-income families on top of the CCTB basic benefit for each child;
- the **Children's Special Allowance**—the value of the CCTB basic benefit and the NCB supplement (maximum eligible payment) that goes to support children in the care of foster parents, government departments or agencies;

**Table 1: Total Federal NCB Expenditures by Program Year
(in millions \$ estimated)**

	1998–99	1999–2000	2000–2001
NCB supplement	1,073.2	1,458.2	1,883.0
Children's Special Allowance	29.0	39.0	50.0
Transitional assistance	18.8	n/a	n/a
Citizenship and Immigration Canada	1.5	0.9	0.9
Indian and Northern Affairs Canada	8.2	8.2	8.2
Total expenditure	1,128.7	1,506.3	1,940.1

Note: INAC figures were adjusted from a fiscal year to a program year.



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Total expenditure	1,128.7	1,506.3	1,940.1

Note: INAC figures were adjusted from a fiscal year to a program year.

- **transitional assistance**—resulting from a one-year agreement under which the federal government contributed up to half the funds needed to ensure no Canadian family experienced a reduction in its total income as a result of the switch from the former WIS to the NCB supplement. These bilateral agreements ended in July 1999;
- **the Indian and Northern Affairs Canada NCB-related expenditure for First Nations**—additional expenditures for NCB-related income benefits paid to First Nations families on-reserve; and
- spending by Citizenship and Immigration Canada under the **Resettlement Assistance Program** for government-assisted refugees.

**Table 1a: Child Tax Benefit Recipients and Benefits Paid,
by Family Type, Family Net Income Range and CTB/WIS
1995–96 Benefit Year (July 1995 to June 1996)**

Family net income	Children with CTB*	Families with CTB*	Total \$ CTB* paid	Children with WIS	Families with WIS	Total \$ WIS paid
Single-Parent Families						
\$15,000 or less	789,312	505,357	870,365,141	208,931	141,978	42,868,610
\$15,001 to \$25,921	473,354	270,499	547,228,944	287,217	188,252	62,776,103
More than \$25,921	318,921	209,529	234,476,767	n/a	n/a	n/a
Total	1,581,587	985,385	1,652,070,852	496,148	330,230	105,644,713
Two-Parent Families						
\$15,000 or less	486,652	241,183	575,917,418	260,387	129,002	48,655,246
\$15,001 to \$25,921	716,029	360,774	876,170,471	588,011	303,579	100,555,424
More than \$25,921	3,253,380	1,664,604	2,000,804,198	16,902	9,285	1,803,909
Total	4,456,061	2,266,561	3,452,892,087	865,300	441,866	151,014,579
All Families						
\$15,000 or less	1,275,964	746,540	1,446,282,559	469,318	270,980	91,523,856
\$15,001 to \$25,921	1,189,383	631,273	1,423,399,415	875,228	491,831	163,331,527
More than \$25,921	3,572,301	1,874,133	2,235,280,965	16,902	9,285	1,803,909
Total	6,037,648	3,251,946	5,104,962,939	1,361,448	772,096	256,659,292

* Includes the Working Income Supplement (WIS).

Note: In general, CTB payments are based on a recipient's current marital status and family net income as reported on the previous year's income tax return.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CTB data.

**Table 1b: Child Tax Benefit Recipients and Benefits Paid,
by Family Type, Family Net Income Range and CTB/WIS
1996-97 Benefit Year (July 1996 to June 1997)**

Family net income	Children with CTB*	Families with CTB*	Total \$ CTB* paid	Children with WIS	Families with WIS	Total \$ WIS paid
Single-Parent Families						
\$15,000 or less	811,898	520,447	869,781,333	225,110	152,634	43,907,571
\$15,001 to \$25,921	471,734	267,954	538,911,631	294,077	191,700	62,131,401
More than \$25,921	366,559	236,054	276,385,241	24,036	13,747	3,709,440
Total	1,650,191	1,024,455	1,685,078,205	543,223	358,081	109,748,412
Two-Parent Families						
\$15,000 or less	557,931	283,677	618,093,984	296,146	150,871	52,687,386
\$15,001 to \$25,921	697,549	351,810	835,456,239	584,411	302,044	97,281,796
More than \$25,921	3,233,735	1,659,457	1,938,896,838	25,055	12,729	2,823,674
Total	4,489,215	2,294,944	3,392,452,062	905,612	465,644	152,792,856
All Families						
\$15,000 or less	1,369,829	804,124	1,487,880,317	521,256	303,505	96,594,957
\$15,001 to \$25,921	1,169,283	619,764	1,374,367,870	878,488	493,744	159,413,197
More than \$25,921	3,600,294	1,895,511	2,215,282,080	49,091	26,476	6,533,114
Total	6,139,406	3,319,399	5,077,530,267	1,448,835	823,725	262,541,268

* Includes the Working Income Supplement (WIS).

Note: In general, CTB payments are based on a recipient's current marital status and family net income as reported on the previous year's income tax return.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CTB data.

**Table 1c: Child Tax Benefit Recipients and Benefits Paid,
by Family Type, Family Net Income Range and CTB/WIS
1997-98 Benefit Year (July 1997 to June 1998)**

Family net income	Children with CTB*	Families with CTB*	Total \$ CTB* paid	Children with WIS	Families with WIS	Total \$ WIS paid
Single-Parent Families						
\$15,000 or less	867,804	542,193	984,372,124	226,208	152,611	73,914,341
\$15,001 to \$25,921	390,354	228,112	499,420,959	291,108	188,489	104,333,827
More than \$25,921	361,719	234,030	279,378,711	22,083	11,948	6,542,915
Total	1,619,877	1,004,335	1,763,171,794	539,399	353,048	184,791,084
Two-Parent Families						
\$15,000 or less	557,756	281,369	698,712,301	287,850	145,847	106,732,450
\$15,001 to \$25,921	672,678	339,572	920,471,319	578,709	298,773	194,151,189
More than \$25,921	3,119,763	1,603,845	1,881,911,895	15,529	3,145	932,403
Total	4,350,197	2,224,786	3,501,095,516	882,088	447,765	301,816,042
All Families						
\$15,000 or less	1,425,560	823,562	1,683,084,425	514,058	298,458	180,646,791
\$15,001 to \$25,921	1,063,032	567,684	1,419,892,278	869,817	487,262	298,485,016
More than \$25,921	3,481,482	1,837,875	2,161,290,607	37,612	15,093	7,475,318
Total	5,970,074	3,229,121	5,264,267,309	1,421,487	800,813	486,607,126

* Includes the Working Income Supplement (WIS).

Note: In general, CTB payments are based on a recipient's current marital status and family net income as reported on the previous year's income tax return.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CTB data.

**Table 1d: Canada Child Tax Benefit Recipients and Benefits Paid,
by Family Type, Family Net Income Range and CCTB/NCBS
1998-99 Benefit Year (July 1998 to June 1999)**

Family net income	Children with CCTB*	Families with CCTB*	Total \$ CCTB* paid	Children with NCBS	Families with NCBS	Total \$ NCBS paid
Single-Parent Families						
\$15,000 or less	920,726	566,238	1,429,147,824	919,723	565,712	447,225,714
\$15,001 to \$25,921	399,872	237,192	571,854,988	397,764	235,807	160,183,990
More than \$25,921	337,230	222,515	253,451,306	1,776	379	95,472
Total	1,657,828	1,025,945	2,254,454,118	1,319,263	801,898	607,505,176
Two-Parent Families						
\$15,000 or less	506,971	253,860	789,146,690	506,650	253,648	235,641,190
\$15,001 to \$25,921	635,829	321,997	918,753,211	631,057	319,336	229,033,082
More than \$25,921	3,099,972	1,598,426	1,835,979,987	17,222	3,411	1,060,764
Total	4,242,772	2,174,283	3,543,879,888	1,154,929	576,395	465,735,036
All Families						
\$15,000 or less	1,427,697	820,098	2,218,294,514	1,426,373	819,360	682,866,904
\$15,001 to \$25,921	1,035,701	559,189	1,490,608,198	1,028,821	555,143	389,217,073
More than \$25,921	3,437,202	1,820,941	2,089,431,293	18,998	3,790	1,156,235
Total	5,900,600	3,200,228	5,798,334,005	2,474,192	1,378,293	1,073,240,212

* Includes the National Child Benefit supplement (NCBS).

Note: In general, CCTB payments are based on a recipient's current marital status and family net income as reported on the previous year's income tax return.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CCTB data.

**Table 1e: Canada Child Tax Benefit Recipients and Benefits Paid,
by Family Type, Family Net Income Range and CCTB/NCBS
1999–2000 Benefit Year (July 1999 to June 2000)**

Family net income	Children with CCTB*	Families with CCTB*	Total \$ CCTB* paid	Children with NCBS	Families with NCBS	Total \$ NCBS paid
Single-Parent Families						
\$15,000 or less	923,999	560,258	1,585,769,911	923,021	559,730	600,601,137
\$15,001 to \$25,921	396,545	240,783	631,096,121	396,154	240,560	225,446,705
More than \$25,921	353,639	234,403	268,018,830	43,672	27,569	4,001,522
Total	1,674,183	1,035,444	2,484,884,862	1,362,847	827,859	830,049,364
Two-Parent Families						
\$15,000 or less	475,578	235,701	819,952,744	475,578	235,701	300,823,508
\$15,001 to \$25,921	591,759	299,612	954,399,221	591,759	299,612	314,873,343
More than \$25,921	2,993,553	1,546,989	1,756,500,392	125,178	57,330	12,455,815
Total	4,060,890	2,082,302	3,530,852,357	1,192,515	592,643	628,152,666
All Families						
\$15,000 or less	1,399,577	795,959	2,405,722,655	1,398,599	795,431	901,424,645
\$15,001 to \$25,921	988,304	540,395	1,585,495,342	987,913	540,172	540,320,048
More than \$25,921	3,347,192	1,781,392	2,024,519,223	168,850	84,899	16,457,337
Total	5,735,073	3,117,746	6,015,737,219	2,555,362	1,420,502	1,458,202,030

* Includes the National Child Benefit supplement (NCBS).

Note: In general, CCTB payments are based on the recipient's marital status as reported on the prior year's tax return. The family net income is also based on prior year information.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CCTB data.

**Table 2: Canada Child Tax Benefit — Basic Benefit and National Child Benefit Supplement Payments for Canada, by Family Type
July 1998 to June 2000**

Basic Benefit			
	Single-Parent Families	Two-Parent Families	All Families
July 1998 – June 1999	\$1,646,948,940	\$3,078,144,852	\$4,725,093,792
July 1999 – June 2000	\$1,654,835,499	\$2,902,699,692	\$4,557,535,191
NCBS			
	Single-Parent Families	Two-Parent Families	All Families
July 1998 – June 1999	\$607,505,176	\$465,735,036	\$1,073,240,212
July 1999 – June 2000	\$830,049,364	\$628,152,665	\$1,458,202,029
CCTB (Basic Benefit and NCBS)			
	Single-Parent Families	Two-Parent Families	All Families
July 1998 – June 1999	\$2,254,454,116	\$3,543,879,888	\$5,798,334,004
July 1999 – June 2000	\$2,484,884,863	\$3,530,852,357	\$6,015,737,220

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CCTB data.

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**Table 3: Canada Child Tax Benefit Payments for Families Receiving the NCB Supplement, by Province/Territory
Benefit Years 1998-99 and 1999-2000 (July to June)**

Jurisdiction	1998-1999				1999-2000			
	Basic benefit	NCB supplement (NCBS)	Total base and NCBS	Children receiving the NCBS	Basic benefit	NCB supplement (NCBS)	Total base and NCBS	Children receiving the NCBS
	(millions \$)				(millions \$)			
Newfoundland and Labrador	57	24	81	54,348	56	31	87	53,871
Prince Edward Island	12	5	17	11,810	13	7	20	12,543
Nova Scotia	89	38	127	84,522	90	50	140	85,523
New Brunswick	72	31	103	68,618	73	41	114	70,074
Quebec	620	256	876	588,749	631	341	972	603,202
Ontario	927	371	1,298	849,597	957	504	1,462	879,363
Manitoba	127	50	177	119,960	131	69	200	124,294
Saskatchewan	125	49	174	118,847	129	69	199	124,531
Alberta	256	101	357	239,884	265	138	403	248,146
British Columbia	349	144	493	324,396	364	199	562	339,900
Yukon	3	1	4	2,692	3	2	5	2,749
Nunavut	-	-	-	-	5	2	8	4,620
Northwest Territories	10	4	14	9,177	5	3	8	4,895
Total*	2,650	1,073	3,723	2,474,192	2,725	1,458	4,183	2,555,362

* Totals include Canadian beneficiaries living abroad.

Note: Rounding may cause discrepancies in totals.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CCTB data.

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Total*	2,650	1,073	3,723	2,474,192	2,725	1,458	4,183	2,555,362

* Totals include Canadian beneficiaries living abroad.

Note: Rounding may cause discrepancies in totals.

Source: Canada Customs and Revenue Agency (formerly Revenue Canada) CCTB data.

Appendix 2—Provincial, Territorial and First Nations NCB Initiatives

This appendix provides information on the various NCB initiatives that jurisdictions⁸ have undertaken since the inception of the NCB in July 1998. Some initiatives are new programs or services, whereas others are enhancements to existing programs. This appendix includes descriptive information, actual expenditure data for 1998–99 (relating to the nine-month period from July 1998 to March 1999) and estimated expenditures for 1999–2000 and 2000–01.

NCB initiatives are funded from two sources: reinvestment funds and investment funds. Reinvestment funds result from provincial/territorial social assistance adjustments. Some jurisdictions have chosen to devote additional funds to NCB initiatives over and above the reinvestment amounts. These amounts are referred to as NCB investments. The data reported in this chapter represents the total of reinvestment and, where applicable, investment funds.

Sources of reinvestment funds

- **Social Assistance/Child Benefit Adjustments**—Adjustments have been made in a number of ways:
 - the NCB supplement may be treated as income, thereby reducing the amount of social assistance payable to a family. This occurs in Prince Edward Island, Nova Scotia, Ontario, Manitoba, Yukon, the Northwest Territories and Nunavut;
 - social assistance rates may be reduced by the amount of the NCB supplement. This occurs in Alberta;
 - provinces that have removed children's benefits from social assistance and integrated their child benefit with the federal child benefit may reduce the provincial portion of the benefit by the full amount of the NCB supplement. This occurs in Saskatchewan and British Columbia; and
- Newfoundland and Labrador restructured its income support program and used the savings to finance the Newfoundland and Labrador Child Benefit as its provincial NCB reinvestment initiative.

⁸ This appendix does not contain information for the Province of Quebec, which chose not to participate in the National Child Benefit initiative. Residents of Quebec, however, still receive the increased NCB supplement to the Canada Child Tax Benefit.

Several jurisdictions have chosen to pass on the full amount of NCB supplement increases to families receiving social assistance without adjusting social assistance benefits. In all jurisdictions, no family receiving social assistance has experienced a reduction in its overall level of income support as a result of introducing the NCB.

- **Children's Special Allowance adjustments**—The Children's Special Allowance is paid on behalf of children who are in the care of provincial/territorial child welfare authorities. It mirrors the maximum CCTB payments, including the NCB supplement. Jurisdictions have the option of passing on the increased amount to child welfare authorities for child maintenance costs or recovering the increase. Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan and Alberta have chosen to recover the increased amount, and it is considered to be available for NCB initiatives.
- **Transitional assistance**—between July 1998 and June 1999, federal and provincial/territorial governments contributed equal amounts to ensure that no families who previously received the Working Income Supplement experienced a reduction in overall benefits as a result of the introduction of the NCB supplement.

Newfoundland and Labrador

Since the 1998 introduction of the NCB supplement, Newfoundland and Labrador has initiated major new programs and enhanced existing programs to assist low-income families with children.

In 1998–99, Newfoundland did not adjust social assistance payments to families. Instead, the full amount of the federal NCB supplement was provided to all low-income families regardless of their sources of income. As a result, all of Newfoundland

and Labrador's NCB-related initiatives that were developed in the first year were funded entirely by the province as new investments. They include initiatives such as enhancements to child care services and investments in community-based services and supports for children, youth and families.

During 1999–2000, Newfoundland and Labrador undertook a major overhaul of its income support program and introduced the Newfoundland and Labrador Child Benefit. The province also continued its investment in the programs that had been created in 1998.

Newfoundland and Labrador's NCB Initiatives (\$000)		1998–99	1999–2000	2000–01
		Expenditures	Estimates	Estimates
Child Benefits & Earned Income Supplements				
Newfoundland and Labrador Child Benefit		-	6,400	8,500
Child/Day Care				
Unlicensed Child Care		262	600	600
Family Home Child Care Agencies		100	650	650
Child Care Subsidy Program		737	2,650	2,650
Funding to Centres		229	350	350
Child Care Program Supports		198	475	475
School-Based Infant Care		73	75	75
Early Childhood Education Certification		150	100	100
Child Care Service Consultants		31	300	300
Supplementary Health Benefits				
Extended Drug Card Program		90	1,000	1,000
Early Childhood Services & Children-at-Risk Services				
Family Resource Centres		422	1,150	1,150
Post-Secondary Education and Training		270	472	650
Community Youth Networks		429	1,817	1,817
Residential/Mental Health		710	964	964
Other				
Administration		221	278	263
Total		3,922	17,281	19,544

Newfoundland and Labrador's initiatives include:

- **Child Benefits and Earned Income Supplements**—In 1999, Newfoundland and Labrador redesigned its income support program. Income support benefits to families were reduced, with the reduction being entirely offset by the 1999 increase in the NCB supplement plus new benefits these families began to receive through the Newfoundland and Labrador Child Benefit (NLCB). The NLCB was established by reinvesting savings from the income support program into a new benefit that is provided to about 24,000 families. It marks the first time Newfoundland and Labrador has been able to provide financial support to low-income families outside the social assistance system.
- **Child/Day Care**—Newfoundland and Labrador has strengthened and enhanced the range of child care services and supports it provides to children and families. These activities include: increasing the subsidy rate; increasing the number of families eligible for subsidies; introducing funding to support licensed child care centres; supporting new child care options, such as infant care in high schools and regulated family home child care services; increasing support for young children with special needs; supporting the educational advancement of early childhood educators; and providing funding to support regions in the delivery and enhancement of child care services. In addition, Newfoundland and Labrador also increased the benefit rate for families receiving income support who are required to use unlicensed child care. These child care initiatives address one of the most significant costs faced by many families with dependent children as they move into training and employment.
- **Supplementary Health Benefits**—In 1998, Newfoundland and Labrador invested in an Extended Drug Card program for families with dependent children who move from income support to employment. This investment was designed to help families make the transition to the labour market. The Extended Drug Card is provided for six months after the family has moved off income support as a result of employment.
- **Early Childhood Services and Children-at-Risk Services**—Newfoundland and Labrador has increased the number of community-based family resource centres for families with young children. These facilities provide a wide range of drop-in and supportive services focusing on pregnancy support, nutrition, healthy lifestyles, family support services and quality programs for young children. NCB funding has also supported post-secondary education and training activities for children in the care of the state.
- **Youth**—Newfoundland and Labrador has increased funding to regional health and community services for youth and has supported a new initiative called the Community Youth Network. This is a community-based initiative that draws on the experiences of youth and youth-serving agencies and partners to create local ways of enhancing young people's social and economic participation in society.

Prince Edward Island

In Prince Edward Island, the NCB has been an important contributor both to children's services and to services that help parents in the labour market. Community consultations on child development have identified essential building blocks for healthy child development, such as child care, children's mental health, autism support, family literacy and income support. The NCB is providing support in each of these key areas.

The NCB appears to be contributing to several positive trends, assisted by an improved economy and other program initiatives. During the first two years of the NCB, the number of Prince Edward

Island families on social assistance fell by more than 25 per cent. The number of children covered by child care subsidies grew by more than 50 per cent. Participation in job creation, employment enhancement and adult literacy programs grew substantially. New and enhanced services for children were also launched.

Provincial reinvestments have had a dual focus: support for parents to join and remain in the labour market; and enhancements to early childhood services. Initiatives include the following:

- **PEI Child Care Benefit**—an enhancement to the existing child care subsidy program;
- **PEI Family Health Benefit**—a new program that helps low-income families with the cost of prescription drugs;

Prince Edward Island's NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Estimates	2000-01 Estimates
Child/Day Care			
PEI Child Care Benefit	400	850	600
Supplementary Health Benefits			
PEI Family Health Benefit	-	30	250
Early Childhood Services & Children-at-Risk Services			
Special Needs Grants	100	150	150
Looking After Children	71	50	50
Children-in-Care Initiatives	-	82	88
Children's Mental Health	-	-	250
Speech Therapy Innovation	-	-	80
Autism Integration Project	-	-	32
Other			
Employment Enhancement/Job Creation Program	192	190	100
Literacy/Adult Basic Education Program	100	100	100
Total	863	1,452	1,700

- **Special Needs Grants**—supplementary funding to licensed child care centres that allows them to better accommodate special needs children;
- **Employment Enhancement and Job Creation Program**—enhancements to programs that help parents on social assistance upgrade their job skills and obtain employment;
- **Literacy/Adult Basic Education Program**—funding to allow more parents on social assistance to enrol in adult literacy programs in their communities;
- **Children's Mental Health**—an initiative that has established a new multi-disciplinary children's mental health clinical team;
- **Speech Therapy Innovation**—a new initiative to develop innovative community-based approaches to enhance children's speech, language and communication skills;
- **Autism Integration Project**—a new initiative aimed at improving services for children with autism and their families through early, comprehensive interventions;
- **Looking After Children**—new services to children in care, including the development of research-based policies and training for care providers; and
- **Other Children-in-Care Initiatives**—support for the delivery of children-in-care services to more than 200 PEI children.

Nova Scotia

Consistent with NCB objectives, Nova Scotia offers special programs and services to help low-income families with children. The **Nova Scotia Child Benefit (NSCB)** is the province's primary NCB reinvestment. Introduced in July 1998, the NSCB provides income support to low-income families with children. In parallel with this initiative, the province is expanding and strengthening programs and services in child care, prevention and early intervention through the **Healthy Child Development Initiatives**, which are designed to give children a better start in life and build a better future for children and our society.

The NSCB is delivered as a combined payment with the Canada Child Tax Benefit through an agreement between the province and the Canada Customs

and Revenue Agency. More than 49,000 children in nearly 30,000 families, including 32,000 children in families receiving social assistance, benefited from the Nova Scotia Child Benefit during 1998-99. In its first year, families with net taxable incomes under \$16,000 per year were eligible.

Annual cash payments per child were increased in 1999-2000, as were the qualifying income levels. The benefit was revised to help families with a net income under \$20,921. Families with incomes between \$16,000 and \$20,921 received partial benefits based on their income levels.

Beginning in July 2000, the Nova Scotia Child Benefit was again increased to a maximum of \$403 per year for the first child in a family, \$319 for the second and \$286 for each additional child.

Nova Scotia's NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Estimates	2000-01 Estimates
Child Benefits & Earned Income Supplements			
Nova Scotia Child Benefit	8,124	15,255	20,250
WIS Client Supplement	635	908	876
Child/Day Care			
Centre-Based Day Care	167	990	1,343
Family Child Care	-	346	346
Early Childhood Services & Children-at-Risk Services			
Early Intervention Program	-	265	480
Community-Based Prevention Program	-	780	916
Total	8,926	18,544	24,211

Note: During 1998-99, about \$1.8 million of Nova Scotia's reinvestment funds were not spent. These funds were placed in a provincial suspense account and have been earmarked for NCB initiatives in future years. Nova Scotia anticipates these funds will be spent on the Nova Scotia Child Benefit.

The Healthy Child Development Initiatives were developed in consultation with community stakeholders. They include an increase in the number of subsidized spaces in centre-based child care and new portable spaces for children with special needs. Since 1998, 180 new subsidized spaces have been funded, including 30 spaces for children with special needs.

In addition, early intervention programs have been enhanced by 50 per cent over 1997–98 levels to provide services for pre-school children with special needs. These programs are specifically designed to promote support for low-income families. Approximately 365 children benefited from Early Intervention Services in 1999–2000 as a result of these enhanced initiatives, which build on existing programs to step up prevention efforts across the province.

New Brunswick

In 1998–99, New Brunswick passed on the full value of the federal NCB supplement to families on social assistance and has continued to do so. In addition, starting in August 1998, the province increased funding for child care initiatives and created the **Alternative Child Care Program**, which provides a day care subsidy to families who are not eligible for basic financial assistance and do not have reasonable access to licensed child care facilities.

New Brunswick made major new investments under the NCB initiative in 1999–2000, including expanded day care assistance and a major new package of early childhood and children-at-risk services.

In 1999–2000, New Brunswick invested more than \$6.4 million while still passing on the full NCB supplement increase to families receiving social assistance. Provincial NCB initiative investments included the following:

- **Provincial Breastfeeding Strategy**—support for the promotion, protection and support of breastfeeding in the province.
- **Healthy Minds Breakfast Pilot Program**—funding to address the nutritional needs of elementary school students through a pilot program to provide basic breakfast items. Approximately 2,146 children were expected to benefit from the pilot. The Government of New Brunswick has decided to expand the program in 2000–01. Renamed the **Healthy Minds Nutritional Partnership**, the program will benefit as many as 7,276 students across the province.
- **Day Care Assistance Program**—an increased number of subsidized day care spaces.

New Brunswick's NCB Initiatives (\$000)		1998–99	1999–2000	2000–01
		Expenditures	Estimates	Estimates
Child/Day Care				
Day Care Assistance Program		579	2,200	2,200
Alternative Child Care Program		46	600	600
Early Childhood Services & Children-at-Risk Services				
Breastfeeding Strategy		-	40	40
Healthy Minds Breakfast Pilot Program		-	303	902
Youth Addictions		-	275	275
Positive Learning Environment		-	3,000	3,000
Total		625	6,418	7,017

- **Youth Addictions**—enhanced funding for the Youth Addictions Services Program through the provision of education, prevention and chemical dependency treatment for approximately 275 children and youth aged 12 to 19.
- **Positive Learning Environment**—new funding to address the unmet needs of children in a holistic manner to help them function in the school environment.

In 2000–01, NCB investments have been maintained in the Day Care Assistance Program, Alternative Child Care Program, Provincial Breastfeeding Strategy, Youth Addictions and Positive Learning Environment initiatives.

In addition to these NCB investments, New Brunswick has allocated \$11.5 million each year for child and youth programming and invested \$20 million annually in the New Brunswick Child Tax Benefit and New Brunswick Working Income Supplement for low-income families with children.

Ontario

In Ontario, the provincial government and municipalities have made significant investments in NCB initiatives. Since social assistance is cost-shared between the province and municipalities, each has a role to play in Ontario's reinvestment strategy. Ontario's NCB reinvestment strategy complements a wide range of other programs and supports for children. Examples of these programs include **Healthy Babies/Healthy Children**, the **Learning, Earning and Parenting Program**, **Ontario Works Child Care**, employment supports for families with children, and other prevention and early intervention programs.

In 1998, the province created the **Ontario Child Care Supplement for Working Families**, which provides low- to moderate-income families with a benefit for each child under the age of seven. Families are eligible for the supplement if they have employment earnings exceeding \$5,000 for the year regardless of whether they

have child care expenses. It is also available to families in which parents are attending school or training programs and have child care expenses. The benefit goes down in value as family income rises above \$20,000 per year. In 1998-99, the supplement provided support to more than 204,000 families with 333,000 children. The supplement was funded through a combination of an NCB reinvestment and an NCB investment by the province.

In 1999, the province enriched the supplement to a maximum annual benefit of \$1,100 for each child under the age of seven. The 2000 Ontario budget enhanced the supplement for single-parent families. Starting in July 2000, an increase of \$210 annually for working single parents has been available to up to 63,000 single-parent families with 77,000 children.

Ontario's NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Expenditures	2000-01 Estimates
Child/Day Care			
Ontario Child Care Supplement for Working Families*	88,177	143,331	172,000
Other			
Municipal Reinvestments	17,491	30,202	36,600
Total	105,668	173,533	208,600

* Figures exclude an additional \$40 million previously committed to the former Ontario Child Care Tax Credit, bringing the totals spent on the supplement to \$128.2 million in 1998-99, \$183 million in 1999-2000 and an estimated \$212.5 million in 2000-01.

Ontario municipalities are implementing their own initiatives as part of Ontario's overall reinvestment strategy. These initiatives, designed to meet local needs and priorities, include programs such as early intervention, child care, employment supports and prevention programs. More information on Ontario municipalities' reinvestments is available in an annual publication by the Government of Ontario. The first report, *NCB Reinvestment: 1999 Ontario-Municipal Report*, was released in May 2000. It is available from the Ontario Ministry of Community and Social Services Web site at www.gov.on.ca/CSS. The second annual Ontario NCB municipal reinvestment report was released in early March 2001.

Manitoba

Manitoba's investments and reinvestments in the National Child Benefit have focused on a range of services, including the following:

- **Child Day Care**—Subsidies have been increased and made available to more families. Support has been increased for rural day care, non-profit day care and flexible-hour child care.
- **Children's Special Services**—Supports have been provided to an increased number of families that are caring for children with a disability in their own homes.
- **Women and Infant Nutrition**—Sessions on prenatal and early childhood care and nutrition are provided, plus a monthly allowance for women who are pregnant or have newborn babies.
- **Adolescent Pregnancy Prevention Strategy**—This strategy aims to reduce the number of adolescents who become pregnant before completing high school.
- **BabyFirst**—This early childhood program provides risk assessment and intensive home visits to families at risk who have children up to three years old.
- **Early Start/Side-by-Side/Other Programs**—These early intervention initiatives assist families needing support to be effective parents, including those who may be at risk of abusing or neglecting their children.
- **Early Literacy**—This grant program supports efforts to accelerate the literacy development of the lowest-achieving students in Grade 1.

Manitoba's NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Expenditures	2000-01 Estimates
Child/Day Care			
Child Day Care	3,375	4,282	9,892
Early Childhood Services & Children-at-Risk Services			
Children's Special Services	935	1,000	878
Women and Infant Nutrition	1,196	2,346	3,060
Adolescent Pregnancy	103	425	491
BabyFirst	942	2,447	3,225
Early Start/Side-by-Side/Other Programs	315	2,166	2,202
Early Literacy	2,700	4,700	5,700
Other			
Workforce Attachment	1,330	2,358	2,860
Building Independence/Income Assistance	-	-	3,749
Total	10,896	19,724	32,057

- **Workforce Attachment**—New initiatives provide low-income parents with training and employment services to help them obtain and maintain employment.
- **Building Independence/Income Assistance**—Manitoba has increased supports for parents to enter or re-enter the labour market and has increased basic income assistance rates for young children and allowances for school supplies. Job centre supports and work incentives have been enhanced, and supports to help citizens become independent are being improved.

In addition, Manitoba recently announced its **Healthy Child Initiative**. This new initiative focuses on parent-child centres, prenatal and early childhood nutrition programs, nurses in schools, adolescent pregnancy prevention, and fetal alcohol syndrome/fetal alcohol effect prevention. New programs and services are currently being developed under this program.

Saskatchewan

Saskatchewan reinvested a total of approximately \$13 million in NCB initiatives in the nine-month period from July 1, 1998 to March 31, 1999. This reinvestment represents \$17.2 million on a full fiscal year basis. As a result of further federal investments in the National Child Benefit

supplement, reinvestment funds for 1999-2000 and 2000-01 are expected to increase to \$21.2 million and \$26.6 million respectively.

The province has devoted reinvestment funds to three new children's programs: the Saskatchewan Child Benefit, the Saskatchewan Employment Supplement, and Family Health Benefits.

Saskatchewan's NCB Initiatives	1998-99	1999-2000	2000-01
Reinvestment Funds* (\$000)	Expenditures	Estimates	Estimates
Child Benefits & Earned Income Supplements			
Saskatchewan Child Benefit	10,540	16,270	17,770
Saskatchewan Employment Supplement	1,390	2,640	5,180
Supplementary Health Benefits			
Family Health Benefits	1,080	2,300	3,650
Sub-total	13,010	21,210	26,600

Saskatchewan's NCB Initiatives	1998-99	1999-2000	2000-01
Incremental Investment Funds ** (\$000)	Expenditures	Estimates	Estimates
Child Benefits & Earned Income Supplements			
Saskatchewan Child Benefit	19,790	17,480	11,690
Saskatchewan Employment Supplement	2,600	2,830	3,410
Supplementary Health Benefits			
Family Health Benefits	2,030	2,470	2,400
Sub-total	24,420	22,780	17,500
Total	37,430	43,990	44,100

* Includes provincial revenue from the federal government's increase in the Children's Special Allowance, plus the federal contribution to transitional adjustments for the Working Income Supplement. Funding made available from these sources was \$1.3 million in 1998-99 (actual), and is an estimated \$1.5 million in 1999-2000 and an estimated \$1.8 million in 2000-01.

** In addition to reinvestment funds, the province invested additional funds to support the immediate full implementation of these three programs. This additional investment allowed the removal of the children's basic benefit from the provincial social assistance program and the extension of child benefits to low-income working families. The province's initial investment will be gradually reduced as increases are made to the NCB supplement.

The **Saskatchewan Child Benefit** is a payment to low-income parents to help with the cost of raising a child. Together with the NCB supplement, the program removes children's basic benefits from social assistance and makes provincial child benefits available to low-income families who do not qualify for social assistance. The Saskatchewan Child Benefit is delivered as an integrated payment with the Canada Child Tax Benefit to reduce duplication and simplify administration.

The **Saskatchewan Employment Supplement** is a benefit paid to low-income parents who are working or who receive maintenance payments. The supplement supports employment by offsetting additional child-related costs that a parent may incur through working. It also improves incentives to establish and enforce maintenance agreements by increasing the net value of the payment to the family.

The **Family Health Benefits** program provides extended health benefits to low-income families with children. A full range of benefits is provided for children and partial benefits for adults. With this program, low-income families are assured of retaining health benefits as they leave social assistance for work opportunities.

Consistent with the objectives of the NCB initiative, these three programs help prevent and reduce the depth of child poverty, promote attachment to the workforce, and reduce overlap and duplication through closer harmonization of benefits and simplified administration.

Alberta

Alberta's NCB initiatives complement existing programs and services for low-income families with children. The province devotes reinvestment funds to the Alberta Child Health Benefit, expanded child care subsidies, increases in shelter benefits for families on social assistance, and prevention and early intervention strategies such as the Protection of Children Involved in Prostitution initiative.

Alberta reinvested \$6.2 million during 1998-99 and \$22 million during 1999-2000 in NCB initiatives. More than \$31 million is being reinvested in NCB initiatives during 2000-01.

The Alberta Child Health Benefit addresses a significant barrier faced by low-income parents on assistance who are moving into the labour market. This initiative provides premium-free coverage for prescription drugs, optical and dental services, emergency ambulance transportation and essential diabetic supplies to children in low-income families. Since being introduced in August 1998, the program has been expanded twice with NCB reinvestment funds. Co-payments were eliminated in January 1999. In May 1999 the plan was expanded, making it sensitive to family size. Since the program had a lower initial enrolment than expected, Alberta has allocated the equivalent of the 1998-99 unspent

Alberta's NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Expenditures	2000-01 Estimates
Child/Day Care			
Day Care Subsidy	1,600	6,200	6,300
Supplementary Health Benefits			
Alberta Child Health Benefit*	3,300	10,600	17,500
Early Childhood Services & Children-at-Risk Services			
Children in Prostitution	600	600	600
Other			
SFI Shelter Increase	700	4,600	4,600
SFI School Allowance Increase	-	-	1,250
Transitional Support for Youth Leaving Child Welfare	-	-	1,250
Total	6,200	22,000	31,500
Unspent funds **	5,800	3,300	-

* Alberta Child Health Benefit expenditures do not include benefits paid for children of upgrading students. The funding for this comes from reducing student assistance to offset part of the NCB supplement received by students with children.

** Unspent reinvestment funds in 1998-99 (\$5.8 million) were carried forward into the next two fiscal years to meet the cost of increased demand for the Alberta Child Health Benefit. Unspent reinvestment funds in 1999-2000 were carried forward into the next fiscal year and allocated to the SFI School Allowance Increase, Transitional Support for Youth Leaving Child Welfare and ACHB initiatives.

reinvestment funds to the program in 1999–2000 and 2000–01. Almost 55,000 children benefited from the program in 1999–2000, an increase of 45 per cent from the previous year.

Alberta has also used NCB reinvestment funds to expand the province's day care subsidy program, which helps working parents remain in the labour market. NCB funding allowed Alberta to raise the net income qualification levels for the child care subsidy, thereby assisting an additional 11,600 children in 1999–2000. The required minimum parent fee of \$40 per month was eliminated as of April 1999.

In February 1999, NCB reinvestment funding was used to increase shelter benefits for families on assistance. Shelter allowance increases ranged from \$33 to \$41 monthly per family. In 1999–2000, more than 28,000 children were in families receiving shelter benefits.

Alberta reinvests funds in prevention and early intervention strategies that keep children safe and support families. The

Protection of Children Involved in Prostitution initiative has received \$600,000 in NCB reinvestment funds each year. From February 1999 through the summer of 2000, there were 327 protective safe house apprehensions to temporarily protect vulnerable youth from sexual exploitation.

Beginning in September 2000, NCB reinvestment funding was used to increase allowances for school-aged children whose parents receive assistance. The allowances offset registration fees, school and gym supplies, and other education-related costs. It is anticipated that 23,000 school-aged children will benefit from the \$1.25 million allocated to this program.

Also beginning in 2000–01, Alberta is reinvesting \$1.25 million in transitional supports for youth making the transition from the Child Welfare program to independent living, including the transition to employment, continued learning and adult social responsibilities. Approximately 1,350 youth will benefit from this new program.

British Columbia

British Columbia's NCB reinvestments are devoted to a wide range of programs benefiting low-income families with children. The province's commitment to this type of initiative began long before the NCB was established with the BC Family Bonus. This program was implemented two years before the NCB and served as one of the models for the national benefit.

British Columbia's reinvestment initiatives include the following:

- **BC Earned Income Benefit**—This is a tax-free monthly benefit that helps low-income working families to seek employment and remain in the labour market.
- **BC Family Bonus Increase**—This innovative benefit was increased in 1999–2000 through NCB reinvestment funds. About 385,000 children in low- and modest-income families receive it.

British Columbia's NCB Initiatives (\$000)		1998–99 Expenditures	1999–2000 Estimates	2000–01 Estimates
Child Benefits & Earned Income Supplements				
BC Earned Income Benefit		48,750	66,000	69,000
BC Family Bonus Increase		-	7,500	10,000
Family Earnings Exemption		-	11,850	15,000
Child/Day Care				
Supported Child Care		3,500	3,000	1,000
Before and After School		-	-	14,000
Child Care Volume		-	-	1,500
Early Childhood Services & Children-at-Risk Services				
Building Blocks		1,500	2,670	-
Foster Care 2000		750	1,000	1,000
Youth Initiatives		2,100	5,830	5,800
Family Support Programs		2,300	10,950	28,200
Alcohol and Drug Strategy for Youth		-	3,150	6,450
Aboriginal Strategy		-	3,000	4,700
School-Based Programs		-	-	1,500
Other				
Youth Community Action		350	500	500
Education Support for Families		-	4,800	6,400
Social Housing		-	-	10,200
Safe Schools		750	1,000	1,000
Total		60,000	121,250	176,250

- **Family Earnings Exemption—** A flat rate earnings exemption was introduced in January 2000 to provide added incentive for families on welfare to enter the labour market. This exemption allows families on income assistance to keep up to \$200 of earned income each month.
- **Supported Child Care—** Funding is providing extra support to children with special needs so that they can take part in everyday activities in a community child care setting.
- **Before and After School—** A new initiative that expands access to before and after school care for children in kindergarten to 12 years old. This is the first step in the development of a comprehensive child care strategy in BC.
- **Child Care Subsidy—** As a result of increased demand, due in part to increasing labour involvement, the Ministry provided additional funds for the Before and After School Care subsidy program.
- **Foster Care 2000—** Improvements are being made to training and support for foster parents as part of a long-term strategy.
- **Youth Initiatives—** Programming is aimed at youth at risk, including safe housing for sexually exploited youth and "youth agreements" to provide support for homeless youth who cannot return home.
- **Family Support Programs—** New support services are being provided to enhance family functioning, preserve family integrity and offer child development and parenting skills assistance to families.
- **Alcohol and Drug Strategy (Youth Component)—** Funding has been increased for youth detox, treatment and residential service beds, day treatment programming and family and youth counsellors.
- **Aboriginal Strategy—** Support is being provided to Aboriginal communities to develop and deliver services for children and families.
- **School-Based Programs—** Funds for community school programs, inner city schools, school needs programs and other school-based programs.
- **Youth Community Action—** Tuition fee credits are available to youth who participate in community service projects.
- **Education Support for Families—** Increased student financial aid is being provided to parents enrolled in post-secondary programs.
- **Safe Schools—** Funding is available for the development of violence prevention programs and awareness initiatives about safety issues in schools.
- **Social Housing Subsidy—** Increasing availability and access to affordable housing for low-income BC families.

Yukon

The Yukon has reinvested NCB funds in early childhood services, children-at-risk services, supplementary health benefits and child benefits. It has also made further investments in several of these initiatives on top of reinvestment funds.

The Yukon's initiatives include the following:

- **Healthy Families Initiative**—This program provides in-home assistance and education to new parents to ensure that infants receive care and stimulation so crucial to their long-term well-being and healthy development. The program also provides support to parents who are adapting to life with an infant and learning necessary skills to care for the child. This program receives both reinvestment funds and an additional investment from the Yukon government.
- **Kids' Recreation Fund**—The fund has been designed to help children whose families are experiencing financial hardship to participate in organized recreational programs. The fund covers registration fees, equipment and supplies for sports, arts, cultural, recreational or social activities. The fund is supported by an NCB reinvestment with an additional investment by the territory to cover administrative costs.
- **Food for Learning**—This program is operated by a non-government organization. It provides funds to assist schools in offering nutrition programs such as breakfast, lunch or snacks for students who do not otherwise have enough to eat. The program existed prior to the NCB. It received a one-time NCB reinvestment in 1998-99, with ongoing funding provided by the territorial government, donations and other sources.

Yukon's NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Estimates	2000-01 Estimates
Child Benefits & Earned Income Supplements			
Yukon Child Benefit *	-	328	500
Supplementary Health Benefits			
Children's Drug/Optical	31	62	62
Early Childhood Services & Children-at-Risk Services			
Food for Learning	30	-	-
Kids' Recreation Fund	40	3	69
Healthy Families	16	253	450
Total	117	646	1,081

* Net of INAC recoveries.

- **Yukon Children's Drug and Optical Program**—This program helps low-income families with the costs of prescription drugs and eye care for children up to 18 years of age. Families pay a deductible based on their income and the number of family members. Low-income families pay no deductible.
- **Yukon Child Benefit**—Established in 1999, this initiative (funded entirely by the Yukon government) provides a tax-free benefit to low-income families with children to help them with the cost of raising their children. The full benefit of \$300 per child per year is available to families with annual net incomes below \$16,700. More than 1,350 families and 2,500 children are expected to benefit during 1999–2000 and 2000–01.

Northwest Territories

NCB reinvestments by the Northwest Territories included Nunavut for 1998–99 but not for 1999–2000 or 2000–01. Nunavut figures for the latter two years are provided separately.

The Northwest Territories has made NCB reinvestments in the NWT Child Benefit, which includes the Territorial Workers' Supplement, and in the Healthy Children Initiative.

The **NWT Child Benefit** provides a cash benefit of up to \$330 per child per year for families with incomes of \$20,921 or less in the previous year. The Territorial Workers' Supplement provides families who have at least \$3,750 in working income during the previous year with a maximum benefit of \$275 for the first child and \$75 for the second child. To reduce duplication, the Canada Customs and Revenue Agency delivers the benefit for the NWT as an integrated payment with federal child benefits.

Starting in 1999, reinvestment funds also supported the **Healthy Children Initiative**, which has existed since 1997. Reinvestment funds have allowed for an expansion of the initiative, which funds programs for children up to six years of age and their families. Funding is provided to community groups that plan and deliver programs specifically tailored to meet the needs of their community. The initiative supports programs such as the Growing Together Prenatal Program in Hay River, the Yellowknife Women's Centre Family Support Program and a child care support worker in Tuktoyaktuk.

The NWT government is currently developing an **Action Plan for Early Childhood Development** for the Northwest Territories. Following consultation with stakeholders, the action plan will include the delivery of programs and services for children in their early years.

Northwest Territories' NCB Initiatives (\$000)		1998–99	1999–2000	2000–01
		Expenditures	Estimates	Estimates
Child Benefits & Earned Income Supplements				
	NWT Child Benefit/Territorial Workers' Supplement	3,209	2,186	2,200
Early Childhood Services & Children-at-Risk Services				
	Healthy Children Initiative	-	175	385
Total		3,209	2,361	2,585

Nunavut

The Territory of Nunavut was established on April 1, 1999. Nunavut's NCB initiatives for 1999-2000 and 2000-01 are continuations of the Northwest Territories' 1998-99 initiatives: the Nunavut Child Benefit/Territorial Workers' Supplement and the Healthy Children Initiative.

The eligibility criteria and benefit levels for the **Nunavut Child Benefit and Territorial Workers' Supplement** are the same as those for the NWT's parallel initiatives. The **Healthy Children Initiative** focuses on the healthy development of children up to age six through the improvement or expansion of community-based programs and services for young children and their families. Nunavut has continued with these NCB initiatives during 2000-01.

Nunavut NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Estimates	2000-01 Estimates
Child Benefits & Earned Income Supplements			
Nunavut Child Benefit/ Territorial Workers' Supplement	Not applicable	1,960	Not available*
Early Childhood Services & Children-at-Risk Services			
Healthy Children Initiative	Not applicable	372	Not available*
Total	Not applicable	2,332	Not available*

* Nunavut is unable to provide further statistical data at this time due to system implementation problems.

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First Nations

National Child Benefit reinvestments for First Nations aim to provide a sense of community ownership, as they are designed by First Nations to address the unique and diverse needs of their communities.

The figures listed in the following tables are based on reports received from First Nations that participated in the NCB reinvestment component. As the National Child Benefit was implemented in July of 1998 (partway through the fiscal year), 1998-99 reinvestment figures reflect an eight-month period, August 1998 to March 1999.

Funds Available in 1998-1999 for First Nations NCB Reinvestments, by Region

Region	Projected funds available for NCB initiatives in 1998-99 (millions \$)
Yukon	0.2
British Columbia	2.3
Alberta	1.7
Saskatchewan	4.4
Manitoba	4.3
Ontario	2.7
Quebec	7.5
Atlantic	1.0
Sub-total	24.1
Additional Investment Envelope	6.2
Total	30.3

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Manitoba	4.3
Ontario	2.7
Quebec	7.5
Atlantic	1.0
Sub-total	24.1
Additional Investment Envelope	6.2
Total	30.3

Actual Expenditures in 1998–1999 on First Nations NCB Initiatives, by Program Type

Program type	Total expenditure
Child/Day Care	\$810,589
Child Nutrition	\$4,029,434
Early Child Development	\$389,238
Employment Opportunities/Training	\$4,066,230
Other	\$5,776,075
Sub-total*	\$15,471,566
Additional Expenditures by First Nations with Multi-Year Agreements and Comprehensive Funding Agreements	\$8,693,431
Additional Reinvestment Envelope	\$6,200,000
Sub-total	\$30,364,997
Additional Regional Reinvestment**	\$174,690
Total	\$30,539,688

* Includes amount of \$400,000 in Ontario which was not broken down by program area.

** The Alberta region expended an additional amount beyond its projected stated total of \$1.7M for 1998–1999.

In assessing these figures, the following points should be noted:

- bands funded under multi-year funding agreements are excluded from the totals for British Columbia, Alberta, Ontario and the Atlantic;
- as the territorial governments provide funding for social assistance and National Child Benefit-related initiatives in the Northwest Territories and Nunavut, reinvestments in these areas are not included;
- self-governing bands in the Yukon are excluded;
- figures for the Atlantic region do not include New Brunswick;
- for the Quebec region, the amount includes savings from the New Family Allowance and the NCB supplement. The total includes multi-tier estimated savings in eight communities;
- in the Ontario region, the amounts listed do not include sole support cases that were still with the provincial Ministry of Community and Social Services but may have been transferred later; and
- the Additional Investment Envelope includes funding that was added as a result of provincial/territorial investments made on top of NCB reinvestments. Additional funding was contributed to make sure First Nations children had access to a comparable level of NCB-related funding.

Funds Available for First Nations' NCB Initiatives (thousands \$)

Region	1998-1999*	1999-2000	2000-01 (projected)
Yukon	200	360	950
British Columbia	2,300	3,400	4,000
Alberta	1,700	6,800	4,200
Saskatchewan	4,400	8,600	11,500
Manitoba	4,300	8,400	8,400
Ontario**	2,700	5,300	6,300
Quebec***	7,500	8,500	8,500
Atlantic	1,000	2,100	3,000
Sub-total	24,100	43,460	46,850
Additional Reinvest- ment Envelope^			
• Saskatchewan	6,200	8,100	8,100
• Yukon			240
Total	30,300	51,560	55,190

* Bands funded under multi-year agreements (e.g., Alternative Funding Arrangements, Financial Transfer Agreements and Canada/First Nation Funding Agreements) are excluded from the totals in British Columbia, Alberta, Ontario and the Atlantic regions. Funding for social assistance and National Child Benefit-related initiatives in the Northwest Territories and Nunavut are provided by the territorial governments. As well, self-governing bands in the Yukon are excluded.

** These amounts do not include the sole support cases remaining with the Ministry of Community and Social Services that may have been transferred before March 31, 2000.

*** For the Quebec region, the amount includes savings from the New Family Allowance and the National Child Benefit Supplement. The total includes estimated savings from financial transfer agreements for eight communities.

^ The Additional Reinvestment Envelope is based on additional monies received by provinces/territories to the extent that they further invest in National Child Benefit-related income support and benefit programs beyond the level of their federal National Child Benefit reinvested savings. When a province or territory reinvests more than the value of its reimbursements in income support programs, INAC may be required to increase resources to enable First Nations living on-reserve to access an equivalent level of programming and services. For example, in 1998-99, Saskatchewan implemented the Saskatchewan Child Benefit. An additional \$8.1 million was available for reinvestment.

Actual Expenditures in 1998–1999 on First Nations NCB Initiatives, by Program Type

Program type	Total expenditure
Child/Day Care	\$810,589
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** The Alberta region expended an additional amount beyond its projected stated total of \$1.7M for 1998–1999.

In assessing these figures, the following points should be noted:

- bands funded under multi-year funding agreements are excluded from the totals for British Columbia, Alberta, Ontario and the Atlantic;
- as the territorial governments provide funding for social assistance and National Child Benefit-related initiatives in the Northwest Territories and Nunavut, reinvestments in these areas are not included;
- self-governing bands in the Yukon are excluded;
- figures for the Atlantic region do not include New Brunswick;
- for the Quebec region, the amount includes savings from the New Family Allowance and the NCB supplement. The total includes multi-tier estimated savings in eight communities;
- in the Ontario region, the amounts listed do not include sole support cases that were still with the provincial Ministry of Community and Social Services but may have been transferred later; and
- the Additional Investment Envelope includes funding that was added as a result of provincial/territorial investments made on top of NCB reinvestments. Additional funding was contributed to make sure First Nations children had access to a comparable level of NCB-related funding.

Funds Available for First Nations' NCB Initiatives (thousands \$)

Region	1998-1999*	1999-2000	2000-01 (projected)
Yukon	200	360	950
British Columbia	2,300	3,400	4,000
Alberta	1,700	6,800	4,200
Saskatchewan	4,400	8,600	11,500
Manitoba	4,300	8,400	8,400
Ontario**	2,700	5,300	6,300
Quebec***	7,500	8,500	8,500
Atlantic	1,000	2,100	3,000
Sub-total	24,100	43,460	46,850
Additional Reinvest- ment Envelope^			
• Saskatchewan	6,200	8,100	8,100
• Yukon			240
Total	30,300	51,560	55,190

* Bands funded under multi-year agreements (e.g., Alternative Funding Arrangements, Financial Transfer Agreements and Canada/First Nation Funding Agreements) are excluded from the totals in British Columbia, Alberta, Ontario and the Atlantic regions. Funding for social assistance and National Child Benefit-related initiatives in the Northwest Territories and Nunavut are provided by the territorial governments. As well, self-governing bands in the Yukon are excluded.

** These amounts do not include the sole support cases remaining with the Ministry of Community and Social Services that may have been transferred before March 31, 2000.

*** For the Quebec region, the amount includes savings from the New Family Allowance and the National Child Benefit Supplement. The total includes estimated savings from financial transfer agreements for eight communities.

^ The Additional Reinvestment Envelope is based on additional monies received by provinces/territories to the extent that they further invest in National Child Benefit-related income support and benefit programs beyond the level of their federal National Child Benefit reinvested savings. When a province or territory reinvests more than the value of its reimbursements in income support programs, INAC may be required to increase resources to enable First Nations living on-reserve to access an equivalent level of programming and services. For example, in 1998-99, Saskatchewan implemented the Saskatchewan Child Benefit. An additional \$8.1 million was available for reinvestment.

Citizenship and Immigration Canada

Citizenship and Immigration Canada (CIC) provides two types of assistance programs for new immigrants and refugees: the Resettlement Assistance Program (RAP) and the Kosovo Refugee Movement.

RAP is a program for government-assisted refugees. It has two components: income support and a range of immediate essential services. The program provides income support usually for up to 12 months or until clients become self-sufficient, whichever comes first. Clients who are not self-sufficient at the end of this period of support transfer to provincial social assistance. Therefore, to ensure consistency, income support under the program mirrors provincial programs in each jurisdiction.

The Kosovo Refugee Movement was a special initiative launched in May 1999 to assist Kosovar refugees. Income support and services that mirror those under RAP will be provided for a maximum of 24 months.

The CIC has reinvested NCB reinvestment funds in several allowances that benefit children:

- **NCB Transportation Allowance**—assistance for families to get to medical appointments, day care services and other settlement services for newcomers.
- **Children Under 2 Years Allowance**—a benefit that recognizes the additional costs associated with raising young children.
- **School Start-Up Allowance**—a once-per-year benefit to help families prepare their children for school.
- **Newborn Allowance**—assistance to purchase essentials for a new baby.

Citizenship and Immigration Canada NCB Initiatives (\$000)	1998-99 Expenditures	1999-2000 Estimates	2000-01 Estimates
Child Benefits & Earned Income Supplements			
Children Under 2/Newborn Allowance/School Start-Up	238	383	412
Other			
Transportation	1,711	2,949	3,203
Total	1,949	3,332	3,615

Note: Figures for 1999-2000 and 2000-01 include data for the Kosovo Refugee Movement (\$1,420,300 and \$1,699,800, respectively).

Appendix 3—Additional Statistical Information

These additional statistical tables supplement the information contained in this report. They provide information on low income and labour market participation trends and are on the Internet at http://socialunion.gc.ca/ncb_e.html

Table 1a: Pre-tax LICOs, Income thresholds, by family size and community size, 1998

Table 1b: Post-tax LIM, Income thresholds, by family size and composition, 1998

Table 2: LICOs & LIM—Number and percentage of families below the low-income thresholds, by family type, Canada, 1984 to 1998

Table 2a: LICOs—Number and percentage of families and children under 18 below the low-income thresholds, by family type, Canada, 1984 to 1998

Table 2b: LIM—Number and percentage of families and children under 18 below the low-income thresholds, by family type, Canada, 1984 to 1998

Table 3: LICOs & LIM—Percentage by which low-income families are below the low-income thresholds, by family type, Canada, 1984 to 1998

Table 3a: LICOs—Percentage by which family income is below or above the low-income thresholds, by family type, Canada, 1984 to 1998

Table 3b: LIM—Percentage by which family income is below or above the low-income thresholds, by family type, Canada, 1984 to 1998

Table 4: LICOs & LIM—Average market income of low-income families as a percentage of the low-income thresholds, by family type, Canada, 1984 to 1998

Table 5: LICOs & LIM—Average total weeks worked for pay by all adults in low-income families, by family type, Canada, 1984 to 1997

Table 6: LICOs & LIM—Percentage of weeks worked full time for pay by low-income families, by family type, Canada, 1984 to 1997

Table 7: LICOs & LIM—Percentage of low-income families employed for pay during the year, by family type, Canada, 1984 to 1998

Table 8: Estimated number of single-parent and two-parent families with children under 18 receiving social assistance, Canada, March of each year, 1987 to 1999.